

**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**

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**Chief Fire Officer and Chief Executive**  
Jason Thelwell

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To: The Members of the Overview and Audit Committee

12 July 2021

**MEMBERS OF THE PRESS  
AND PUBLIC**

Please note the content of  
Page 2 of this Agenda Pack

Dear Councillor

Your attendance is requested at a meeting of the **OVERVIEW AND AUDIT COMMITTEE** of the **BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY** to be held in **MEETING ROOM 1, BUCKINGHAMSHIRE FIRE AND RESCUE SERVICE HEADQUARTERS, STOCKLAKE, AYLESBURY, BUCKS, HP20 1BD** on **WEDNESDAY 21 JULY 2021 at 10.00 AM** when the business set out overleaf will be transacted.

Yours faithfully

Graham Britten  
Director of Legal and Governance

**Health and Safety: Covid-19**

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

Councillors Bagge, Carroll, Chapple OBE, Darlington, Exon, Hussain, Rankine, 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](mailto: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](mailto: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. Election of Chairman**

To elect a Chairman for 2021/22

**2. Appointment of Vice-Chairman**

To appoint a Vice-Chairman for 2021/22

**3. Apologies**

**4. Minutes**

To approve, and sign as a correct record the Minutes of the meeting of the Overview and Audit Committee held on 17 March 2021 (Item 4) **(Pages 9 - 20)**

**5. 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.

**6. 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.

**7. Questions**

To receive questions in accordance with Standing Order SOA7.

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

**9. Internal Audit Report - Annual Audit Report 2020/21**

To consider Item 9 **(Pages 21 - 44)**

**10. Ernst & Young Audit Plan 2020/21**

To consider Item 10 **(Pages 45 - 88)**

**11. Treasury Management Performance 2020/21**

To consider Item 11 (**Pages 89 - 96**)

**12. Annual Governance Statement**

To consider Item 12 (**Pages 97 - 132**)

**13. Corporate Risk Management**

To consider Item 13 (**Pages 133 - 152**)

**14. Equal Pay Audit**

To consider Item 14 (**Pages 153 - 162**)

**15. Apprenticeship Programme - Annual Statutory Reporting 2020-2021**

To consider Item 15 (**Pages 163 - 188**)

**16. Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) - Buckinghamshire Fire and Rescue Service (BFRS) Improvement Plan Update**

To consider Item 16 (**Pages 189 - 202**)

**17. Forward Plan**

To note Item 17 (**Pages 203 - 204**)

**18. Date of next meeting**

To note that the next meeting of the Overview and Audit Committee will be held on Wednesday 10 November 2021 at 10 am.

If you have any enquiries about this agenda please contact: Katie Nellist (Democratic Services Officer) – Tel: (01296) 744633 email: [knellist@bucksfire.gov.uk](mailto: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 remotely on  
WEDNESDAY 17 MARCH 2021 at 10.00 AM

**Present:** Councillors Carroll (Chairman), Christensen (part), Cole, Exon, Hussain, Mallen, Minns and Stuchbury

**Officers:** J Thelwell (Chief Fire Officer), M Osborne (Deputy Chief Fire Officer), G Britten (Director of Legal and Governance), M Hemming (Director of Finance and Assets), A Hussain (Deputy Director of Finance and Assets), C Bell (Head of Protection and Assurance), D Norris (Head of Prevention, Response and Resilience) S Gowanlock (Corporate Planning Manager), M Hussey (Principal Accountant), C Newman (Data Intelligence Team Manager), S Cunningham (Group Commander Head of Operational Training and Assurance), S Tuffley (Group Commander Technical), M Gibb (Head of Business Assurance, Buckinghamshire Council), S Harlock (Audit Manager, Buckinghamshire Council), N Harris (Associate Partner, Ernst & Young), A Kennett (Assistant Manager Ernst & Young) and K Nellist (Democratic Services Officer)

**Apologies:** Councillor Mills

Live webcast broadcast:

<https://www.youtube.com/channel/UCWmIXPWAscxpL3vIiv7bh1Q>

The Director of Legal and Governance welcomed Members to the March Meeting of the Overview and Audit Committee of Buckinghamshire & Milton Keynes Fire Authority and confirmed that the meeting was being live streamed on the Buckinghamshire Fire & Rescue Service YouTube channel. Following the meeting, a recording would continue to be available on this channel and it was also being recorded, should there be any technical difficulties.

**OA35**

## **MINUTES**

RESOLVED –

That the Minutes of the meeting of the Overview and Audit Committee held on Wednesday 11 November 2020, be approved and signed by the Chairman as a correct record.

**OA36**

**RIPA POLICY (MINUTE OA39 – 090316)**

The Director of Legal and Governance advised Members that the Authority was the enforcing authority under the Regulatory Reform (Fire Safety) Order 2005 and as an enforcing authority, it had powers to undertake covert surveillance on individuals if necessary. It therefore had to comply with RIPA – the Regulation of Investigatory Powers Act 2000. The RIPA statutory guidance recommends that elected members be regularly appraised of any instances of covert surveillance.

RESOLVED –

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

**OA37**

**EXTERNAL AUDIT PLAN**

The Associate Partner, Ernst & Young advised that the purpose of this verbal update was to bring Members up to date with the external audit timetable for the audit of the Authority's financial statements for the 2020/21 Audit. Usually, Ernst & Young would have presented an Audit Plan that set out the audit strategy, but Members may be aware that nationally there were a number of outstanding 2019/20 external audits which were impacting on all audit suppliers taking account of the impact of Covid-19 and changes in the reporting timetables that took place last year. For that reason, Ernst & Young were only just commencing planning work this month. Once that was done, they would confirm their proposed assessment of audit risks and response ahead of receiving the draft accounts for audit.

The Associate Partner advised Members that the Ministry of Housing, Communities and Local Government (MHCLG) had been responding to the Sir Tony Redmond Review into the sustainability of financial reporting and external audit in England and following that, were proposing a timetable for the production of draft accounts and external audit for the 2020/21 financial year. The Authority had until the 1 August 2021 to produce draft accounts for publication and the targeted date for the audited financial statements was the end of September 2021. Based on the conclusion of the 2019/20 audit, the Associate Partner did not anticipate any significant changes in the audit approach this year.

A Member asked if the proposal to hold a referendum would be audited and was advised that the amount that would be set aside to hold a possible future referendum, as agreed at the Fire Authority meeting on 17 February 2021, would appear as a separate reserve account and would be picked up as part of the audit.

**a) Final Audit Reports**

The Audit Manager advised that the purpose of this report was to update Members on the progress on the findings of the finalised internal audit reports issued since the last meeting. The following 2020/21 audits had been finalised; Core Financial Controls (Substantial Opinion), GDPR (Partial Opinion), Asset Management System (Partial Opinion) and Resources Management Application Audit (Partial Opinion).

The Core Financial Controls audit considered ten key risk areas and only two medium and one low priority findings were raised in the report. This resulted in a substantial opinion as no material weaknesses were found.

The GDPR Audit reviewed the Authority's arrangements for data protection. Five key risk areas were considered, and five findings raised, one high, three medium and one low priority. The overall opinion for this audit was partial as it was found that some control areas were not being operated effectively. Actions had been agreed to address those weaknesses.

The Asset Management System audit reviewed the Authority's arrangements for the purchase, custody and issue of assets, covering operational equipment and property assets. This audit concluded a partial assurance opinion as there were six high and four medium priority findings. The audit reviewed eight key risk areas and the conclusion found there were inadequate levels of internal control in place. Actions to address these had been agreed. However, due to the high-risk findings, further work would be undertaken in 2021/22.

The Resources Management Application (FSR) Audit was an IT audit undertaken by IT specialist auditors. The audit focused on three risk areas; logical access controls, change controls and IT operations and raised eight audit findings which resulted in a partial audit opinion. The actions had been agreed with officers and implementation would be monitored against agreed timescales.

A Member asked for a brief explanation of Finding 6 'Recording of Assets – Inaccurate records of stock' and was advised that it followed on from a previous audit of Stores which identified a similar issue. Unfortunately, due Covid-19, Stores were impacted most in terms of working arrangements, and in the initial stages trying to secure enough PPE and hand sanitizer etc. A project would be put in place over the coming financial year and hopefully this would rectify a lot of the issues.

A Member asked a question regarding the Service Reviews on the Resource Management Application audit review and was advised that this related to 'Fire Service Rota' which was the system used to record who's on duty, what skills they have, availability etc. This was a new system recently introduced and the issues highlighted in the report were consistent with what was expected from a new system, it was not saying there was no cyber security or backup, but that the Authority needed to get assurance from the vendor that this was in place.

RESOLVED -

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

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

The Audit Manager advised that the purpose of this report was to update Members on the progress of the implementation of audit recommendations as of 5 February 2021. In total there were 37 recommendations to report on, the status of which were classified as follows; implemented 32/37 (86%), past due date (in progress) 5/37 (14%). Internal Audit continued to work with officers and to actively monitor implementation of all outstanding recommendations throughout the year.

RESOLVED –

That the progress on implementation of recommendations be noted.

#### **c) Internal Audit Strategy and Annual Internal Audit Plan 2021/22**

The Audit Manager advised Members that this report sets out the Internal Audit Strategy and the proposed Internal Audit Plan for 2021/22. There were no material changes from the strategy of previous years, however, there remained 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. Regarding the Audit Universe (previous audit activity and assurance levels) Internal Audit had identified seven auditable areas for the year 2021/22 and these were set out at Appendix A, the proposed audit plan. Internal Audit had also listed three contingency audits that could also be considered for next year.

A Member asked about the Blue Light Hub Post Project Evaluation and was advised that this was primarily a financial audit, and the objectives were set out when the Authority undertook the project. The information would be used to inform a wider piece of work of lessons learned, and other benefits gained that perhaps weren't anticipated, i.e., closer working with other blue light colleagues.

RESOLVED –

That Members approve the Internal Audit Strategy and Annual Internal Audit Plan

**d) Adopting CIPFA Recommended Assurance Opinions and Definitions**

The Audit Manager advised Members that the Chartered Institute of Public Finance and Accountancy (CIPFA) had recently released a paper which examined the case for standardising the terminology and definitions used in internal audit engagements across the whole of the public sector and had subsequently recommended a standard set of opinions and supporting definitions for internal audit service providers to use. To ensure that the Authority continued to conform to the best practice principles, Internal Audit recommended that the Authority adopt the standard definitions for its 2021/22 work and moving forward. The main changes to the assurance opinions, would be ‘partial assurance’ would change to ‘limited assurance’. ‘Limited assurance’ would change to ‘no assurance’.

RESOLVED –

That Members approve the adoption of the CIPFA standardised assurance opinions and definitions.

**OA39**

**CORPORATE RISK MANAGEMENT POLICY**

The Corporate Planning Manager advised that the purpose of this paper was to present Members with an updated policy and guidance note for Corporate Risk Management. The policy and guidance had been reviewed and updated to reflect the latest (2018) ISO 31000 Risk Management Guidelines to ensure that the Authority’s approach was aligned with international good practice; changes to Service internal governance structures (revisions to Management Boards’ terms of reference and the introduction of the Portfolio Management Office); and current Service Document publication protocols. No changes to the existing Corporate Risk Management reporting arrangements to the Overview and Audit Committee were proposed at this time. Members were advised that, if approved by the Executive Committee, some typographical adjustments would be made to the documents before publication.

A Member asked if the Corporate Risk Management Policy could be explained to new Members joining the Authority and was advised that it could be included as part of the induction training for new Members.

RESOLVED –

That the Committee recommend the Corporate Risk Management Policy set out at Annex A and Guidance at Annex B, to the Executive Committee for approval.

#### **OA40**

#### **CORPORATE RISK MANAGEMENT**

The Corporate Planning Manager took Members through the six risks being monitored on the Corporate Risk Map. There were three risks being monitored at red rag status. The funding/savings risk; the staff availability risk due to the retirement profile and impact of Covid-19; and due to the impact of the recent court and tribunal decisions, the Firefighter Pension Schemes was being monitored as a separate risk due to the financial and resourcing implications, as well as potential implications for staff availability. There were two risks being monitored at amber rag status, the Pandemic Resurgence risk, everything possible was being done to control and reduce the risk to the workforce and also the public they interact with and the Information Security Risk.

The Director of Legal and Governance updated Members on the Information Security Risk. Microsoft had released security patches to resolve vulnerabilities in operating systems from Windows 7 onwards, this vulnerability would allow the virus/ransomware WannaCry to run. The ICT team had distributed the patches to all devices within 48 hours. Microsoft had also released urgent security patches to resolve vulnerabilities in the Microsoft Exchange Server. These patches were added in a pre-booked server maintenance window the following day and the Authority was now protected from this vulnerability. There had been a notification from the National Cyber Security Centre (NCSC) that a work email address of one of the Authority's employees had been identified as being in the possession of Qakbot hackers. The ICT team took this notification seriously not least because it was first such notification it had received from the NCSC, and the ramifications of a ransomware infection were very serious. The ICT team spoke to the identified user and checked with the Authority's security providers to ensure they offer protection to Qakbot, which they did. After further advice from NCSC it was decided that the email address of the user would be deleted and replaced with a new address to ensure the threat has been removed.

A Member asked if Council email addresses could in anyway cause problems to the Authority's email system and was advised that the Head of ICT would be asked to liaise with his counterparts at

Buckinghamshire Council and Milton Keynes Council to see what was in place regarding security and firewalls.

The Corporate Planning Manager advised Members that the last risk was the risk associated with the move out of the transitional arrangements with the EU. With the UK's departure, the risk had now been reduced to a green rag status. The Authority had not and did not expect to experience any material disruption to its operations as a result of this.

A Member asked for an update on where the Authority was regarding correspondence with Government over the level of financial support available and was advised by the Chief Fire Officer that the Chairman had written to all local MP's, and meetings were being arranged to talk about the Authority's financial position. Once those meetings had taken place, the outcome would be reported back to Members. A meeting with Civil Servants from the Home Office had taken place and the National Fire Chiefs Council had given support concerning the Authority's financial position. A Civil Servant from the Home Office was going to work closely with the Director of Finance and Assets to look at the financial position moving forward and how it can be changed in terms of the Comprehensive Spending Review next year.

**RESOLVED –**

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

**OA41**

**2019/20 STATEMENT OF ASSURANCE**

The Corporate Planning Manager advised Members that the purpose of this document was to provide the public and Government with assurance that the Authority met the requirements set out in the National Framework and accompanying Government guidance during the 2019/2020 financial year. The document closely followed the Government guidance and consolidated and summarised the findings of existing assurance processes relating to financial, governance and operational matters that were set up to meet other statutory and regulatory requirements of fire and rescue authorities. There was a new section included this year, which summarised the outcome of the HMICFRS inspection.

**RESOLVED –**

That the 2019/20 Statement of Assurance be approved for signature by the Chairman of the Overview and Audit Committee and the Chief Fire Officer

**OA42**

**TREASURY MANAGEMENT PERFORMANCE 2020/21 – QUARTER 3**

The Principal Accountant advised Members that for the financial year 2020/21 April to December, the accrued interest earned was £94k, which was £18.5k lower than the budget set for the same period. This was a direct impact of the low interest rates due to the Covid-19 pandemic and the low interest rates would certainly continue for the remainder of the financial year. The current forecast for the financial year 2020/21 was in the region of £100k. Officers continued to monitor the cashflow position daily to ensure the Authority can meet its short-term expenditure requirements and to maintain adequate liquidity. To support this, investments currently in place with a number of counterparties had frequent maturity dates. Looking ahead, it was anticipated that low interest rates would certainly continue into the next financial year. Therefore, the budget set for 2021/22 at the Authority meeting in February had been reduced from £150k to £30k.

RESOLVED –

That the Treasury Management Performance 2020/21 report be noted.

**OA43**

**2019-20 ANNUAL PERFORMANCE MONITORING REPORT**

The Deputy Chief Fire Officer introduced the report and advised Members that this was a timely reminder to give assurance that despite the significant challenges faced by Covid-19 and the Services response to the pandemic, business as usual critical activities continued to be a priority and remained the primary focus.

The Data Intelligence Team Manager advised Members that this report provided a review of annual performance in relation to the Authority's 2015-20 Corporate Plan objectives focusing, in particular on incidents in homes, workplaces, whilst travelling and in wider community settings. It covered the period 1 April 2019 to 31 March 2020. A summary of performance against key indicators indicated continued significant improvement against five-year averages across most key indicators. In particular, accidental dwelling fires (down 15%), chimney fires (down 48%), non domestic property fires (down 19%) and deliberate primary fires (down 9%).

A Member asked for clarification on deliberate primary fires and deliberate secondary fires and was advised that the difference

between primary and secondary was a fire term. Primary was something that was insurable, a home, a car, anything with some value. Secondary tended to be something that was derelict, or waste or rubbish, not something insurable.

RESOLVED –

That the outturn performance against the outcome measures specified in the Corporate Plan 2015-20 be noted

**OA44**

**HER MAJESTY’S INSPECTORATE OF CONSTABULARY AND FIRE AND RESCUE SERVICES (HMICFRS) – BUCKINGHAMSHIRE FIRE AND RESCUE SERVICE (BRFS) ROUND 2 INSPECTIONS AND COVID-19 REPORT**

The Head of Prevention, Response and Resilience advised Members that HMICFRS published Covid-19 inspection reports into all fire and rescue services on 22 January 2021. HMICFRS judged that this Service ‘responded well during the pandemic and provided additional support to its communities’. The Service had continued its prevention and protection activity, in a slightly modified form, but continued to support those at highest risk from fire and other emergencies. The Service had supported a range of partners, including the local resilience forum, local authorities, and at community level. Availability of resources had remained strong, and also central to the report a very positive commentary on how well the Authority had looked after its staff in terms of welfare arrangements, broader support and ensuring their safety and welfare was paramount.

The Head of Prevention, Response and Resilience advised Members that HMICFRS had configured the round 2 inspections of all 45 fire and rescue services, into three tranches. This service was in tranche 1. In preparation for round 2 inspections, a document request was received on 18 January 2021, along with a refreshed self-assessment template. HMICFRS would shortly open an independent reports line and conduct a staff survey, as with the round 1 inspections. The Service had now been informed that its inspection would take place around 24 May 2021. The inspection methodology had been reviewed within the Covid-19 restrictions, and will rely less on face-to-face interviews, and more on virtual engagement.

The Head of Prevention, Response and Resilience advised Members that the improvement plan had been developed addressing specifically the report recommendations and identified areas for improvement. Progress against the improvement plan continued to be strong and that learnings were being incorporated in preparation for the next inspection.

A Member asked about resilience following Covid-19 moving forward and was advised by the Chief Fire Officer that officers attend the Strategic Coordinating Group of the Local Resilience Forum weekly meetings and were part of the Tactical Coordination Group of the Local Resilience Forum. Officers attended meetings with both Buckinghamshire Council and Milton Keynes council in relation to Covid and the Covid response. The Service was engaged and involved at a strategic level in all areas and would be playing a part in the next steps moving forward.

RESOLVED –

That the current position regarding the HMICFRS inspection programme, and preparations for BFRS's round 2 inspection be noted.

#### **OA45**

#### **OPERATIONAL ASSURANCE IMPROVEMENT PLAN**

The Head of Operational Training and Assurance advised that the purpose of this report was to provide Members with an update on the progress that continued to be made regarding the delivery of the Operational Assurance Improvement Plan. In 2016 the Service invited Operational Assurance Limited (OAL) to carry out an audit of its operational activities, a further three audits were carried out with the last one being in 2019. The contract had now concluded; however, good progress had continued to be made against the identified recommendations. Furthermore, internal operational functions were more robustly monitored with recommendations and actions captured on the Operational Assurance Improvement Plan.

The OAIP was a dynamic document, used to enhance the ability to capture, scrutinise and respond to operational learning originating from events such as operational debriefs and Learning Review of Command (LRC) which were now customary for all notable incidents, assurance visits and external reviews, such as the Grenfell enquiry. The OAIP was reviewed quarterly by the Operational Assurance Group and updates to this Committee would continue to be given on the progress against the plan.

RESOLVED –

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

#### **OA46**

#### **GRENFELL TOWER INQUIRY PHASE 1 REPORT UPDATE**

The Group Commander Technical advised that this report was to update Members on the progress to date in response to the Grenfell Tower tragedy on 14 June 2017, and in response to the

recommendations made in the Grenfell Tower Inquiry Phase 1 Report, published on 30 October 2019. The report described how the initial improvement activities commenced immediately after the tragedy and did not wait for the recommendations to be published. Significant progress had been made in implementing National Operational Guidance across the Service, and within the Thames Valley, and the Service had been proactive in its approach to collecting, assessing and sharing site-specific risk information. The Service's fleet was well-equipped, and there was continued investment in equipment to assist in dealing with these risks.

The Group Commander Technical advised Members that the report also described the prevention challenges, where it was often the case that people who were vulnerable to the risk of fire also resided in many of the high rise buildings. The report also summarised the engagement initiatives and interventions undertaken to make these residents safer. The report highlighted how the protection teams were well-aware of the challenges and risks associated with methods of modern building construction, and how they had taken a targeted approach to ensuring the highest risk premises remained safe. The Protection teams had also been proactive in liaising with other local authority departments responsible for enforcing areas of the building where the Authority was not the enforcing agency.

In terms of the recommendations from the Phase 1 report, 15 were complete, 18 were in progress and the Service was prepared for the impacts of the remaining 13. Looking forward, the Authority had received some central support grant funding, which was being used to bolster Protection capacity and capability. Specific funding had also been allocated to support investment in technology to assist in implementing the Inquiry recommendations.

A Member asked if there was anything further the Service could do in relation to the poor response to consultations with hard-to-reach communities who often lived in these buildings and was advised that this was being managed by the Prevention Team who had been particularly proactive in ensuring that the stations and community safety teams were engaging with those at-risk people. The Prevention Team worked very closely with local authorities, landlords and resident groups, and with a range of partners to try to understand the risk and vulnerability impacts on residents and how this can be addressed as closely as possible through the Service's prevention work.

A Member asked about plans for a building in central Milton Keynes that would be around 23 floors high, and had the Authority been involved in the fire safety aspects of the planning application and also with taller buildings coming to Milton Keynes, was the Authority anticipating increasing its capacity to deal with any incidents that may occur and was advised that the Authority was a statutory consultee under building control matters and in relation to the impact any new building may have on the Authority, Firefighters undertake site specific risk assessments on buildings, in terms of mobilizing for an alarm or incident at the site from the point it was being built, all the way through to the point it was being occupied.

RESOLVED –

That the report be noted.

(Councillor Christensen left the meeting)

**OA47**

#### **FORWARD PLAN**

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

RESOLVED –

That the Forward Plan be noted.

Before he closed the meeting, the Chairman thanked all Members and officers for their hard work over the year and also thanked Councillor Mallen, Vice Chairman of the Overview and Audit Committee, who would not be standing for re-election in May this year.

THE CHAIRMAN CLOSED THE MEETING AT 12.05 PM



# Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Overview and Audit Committee, 21 July 2021

**Report title:** Internal Audit Report - Annual Audit Report 2020/21

**Lead Member:** Councillor David Carroll

**Report sponsor:** Mark Hemming – Director of Finance and Assets

**Author and contact:** Maggie Gibb – Internal Audit Manager,  
[Maggie.Gibb@buckinghamshire.gov.uk](mailto:Maggie.Gibb@buckinghamshire.gov.uk), 01296 387327

**Action:** Noting.

**Recommendations:** It is recommended that Members review and note the contents of the Annual Audit Report.

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**Executive summary:** To present the Annual Audit Report to the Overview and Audit Committee. In line with best practice, an annual report on the internal control environment is presented to those charged with governance.

The Chief Internal Auditor's opinion is that the Fire Authority's system of internal control and risk management facilitates the effective exercise of the Authority's functions. This provides **Reasonable** assurance regarding the effective efficient and economic exercise of the Authority's functions. This opinion is reflected in the Annual Governance Statement.

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**Financial implications:** The audit work was contained within the 2020/21 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
1	Annual Audit Report	Not applicable

## **Buckinghamshire & Milton Keynes Fire Authority**



**Internal Audit Service  
Annual Report of the Chief Internal Auditor 2020/21**

**July 2021**

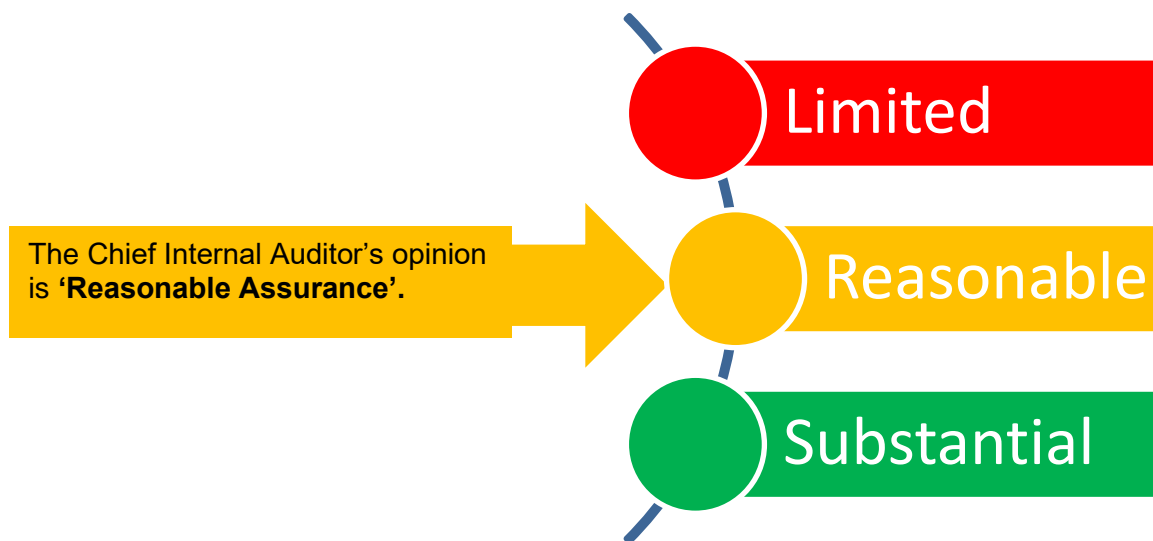
## 1. Introduction

- 1.1 This report outlines the Internal Audit work undertaken by the Internal Audit Service for the year ending 31 March 2021 and seeks to provide an opinion on the adequacy of the control environment detailing the incidences of any significant control failings or weaknesses.
- 1.2 The Account and Audit Regulations require the Fire Authority to maintain an adequate and effective Internal Audit Service in accordance with proper internal audit practices. The CIPFA Public Sector Internal Audit Standards (PSIAs), which sets out proper practice for Internal Audit, requires the Chief Internal Auditor to provide an annual report to those charged with governance, which should include an opinion on the overall adequacies of the internal control environment.

## 2. Responsibilities

- 2.1 The PSIA's define internal auditing 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."
- 2.2 Internal Audit is not responsible for the control system. It is a management responsibility to develop and maintain the internal control framework and to ensure compliance. It is the responsibility of Internal Audit to form an independent opinion on the adequacy of the system of internal control. This opinion should be used as a key strand of the assurance framework which management use to develop their Annual Governance Statement.
- 2.3 The role of the internal audit service is to provide management with an objective assessment of whether systems and controls are working properly. It is a key part of the Authority's internal control system because it measures and evaluates the adequacy and effectiveness of other controls so that:
  - The Fire Authority can establish the extent to which they can rely on the whole system; and
  - Individual managers can establish how reliable the systems and controls for which they are responsible are.

### 3. Chief Internal Auditor Opinion



*\* See Appendix 3 for definitions of the assurance opinions.*

3.1 Based on the audit work undertaken, our experience and knowledge of previous years' performance and the current climate in which the Authority is operating, in my opinion the system of internal control provides **reasonable assurance** regarding the effective, efficient and economic exercise of the Authority's functions. However, our work has identified further enhancements that are required to ensure that the internal control framework remains adequate and effective. Findings raised from the 2020/21 internal audit reviews have not identified any material weaknesses. Overall, the Fire Authority has continued to demonstrate a robust and effective internal control and risk management environment.

3.2 The Chief Internal Auditor would like to acknowledge the Fire Authority's response to Covid-19 and the business continuity measures that were put in place to ensure that statutory responsibilities were fulfilled during the pandemic. The robust governance framework in place ensured that decisions were approved accordingly and that risk implications were considered as part of the decision-making process. A Covid-19 inspection was undertaken by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS); and the letter issued in January 2012<sup>1</sup> concluded that the Fire Authority 'responded well during the pandemic and provided additional support to its communities'. It should be noted that the Fire Authority has continued to work on the improvement plan which was developed to address the recommendations raised by HMICFRS in December 2019 which highlighted some fundamental risks to the authority.

The Chief Internal Auditor remains confident that the identified weakness from the inspection will be addressed through the strong improvement programme and a robust governance framework which includes the Overview and Audit Committee scrutiny.

#### 4. Basis of Audit Opinion

4.1 The Internal Audit Service operates in accordance with the Public Sector Internal Audit Standards (PSIAs). The Audit Strategy complies with the PSIAs and is summarised within the Service Level Agreement. This requires Internal Audit to objectively examine, evaluate and report on the adequacy of internal controls as a contribution to the proper, economic, efficient and effective use of resources.

4.2 The Internal Audit Plan was developed in consultation with the Director of Finance and Assets to focus specifically on financial management, corporate processes and key risk areas. There were no constraints placed on the scope of audit work in the year and there were sufficient resources to provide an adequate and effective audit coverage, however it should be recognised that due to the pandemic the majority of the audit plan was delivered through remote auditing with an increased reliance on officers providing the documentation to auditors electronically and demonstrating processes via screen-sharing.

4.3 The strategy for delivery of the Internal Audit Service is reviewed triennially and subject to the approval of the Overview and Audit Committee.

4.4 In arriving at our opinion, we have taken into account:

- The results of all audits undertaken as part of the 2020/21 Internal Audit Plan- **Appendix 1**.
- The results of follow-up action taken in respect of audits from previous years **Appendix 2**.
- Whether or not any 'high' priority recommendations have not been accepted by management and the consequent risks.
- The effects of any material changes in the Authority's objectives or activities.
- Whether or not any limitations have been placed on the scope of internal audit.
- Findings of work performed by other assurance providers (e.g. the External Auditors who we have liaised with throughout the year in order to share information and reduce any duplication of audit activity).
- The scope of the internal control environment - which comprises the whole framework of systems and controls established to manage BMKFRS to ensure that its objectives are met.

4.5 It should be noted that the Chief Internal Auditor opinion does not imply that Internal Audit has reviewed **all** risks relating to the Fire Authority. The most that the Internal Audit Service can provide to the Accountable Officers and Overview and Audit Committee is a **reasonable** assurance that there are no major weaknesses in control processes. The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

## 5. Anti-Fraud

5.1 There have been no suspected frauds or financial irregularity brought to the attention of the Chief Internal Auditor during 2019/20. Throughout the year we continued to work closely with the Director of Finance and Assets on fraud awareness and our work on the core financial systems included a review of the key anti-fraud controls.

## 6. The Internal Audit Team

6.1 The Internal Audit Service is provided by the Business Assurance Team at Buckinghamshire Council. All staff are qualified or part-qualified with either ACCA, CIIA, QICA or AAT qualifications, and all audit work is subject to a rigorous quality assurance process.

6.2 The quality of work is assured through the close supervision of staff and the subsequent review of reports, audit files and working papers by an 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.

## 7. Our Performance

7.1 With effect from 1 April 2013, the Public Sector Internal Audit Standards were introduced as mandatory guidance that constitutes the principles of the fundamental requirements for the professional practice of internal auditing within the public sector.

7.2 We continue to monitor our performance standards as 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 monitor relationship management issues in the areas of:

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

7.3 The 2020/21 Internal Audit Strategy set out seven performance indicators that the Internal Audit Service was measured against. Below is a summary of our performance against the set indicators:

Performance Measure	Target	Method	2020/21 Results
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	80%
Elapsed Time for completion of audit work (exit meeting) to issue of draft report.	15 Days	Internal Audit Performance Monitoring System	80%
Elapsed Time between issue of Draft report and issue of Final Report	15 Days	Internal Audit Performance Monitoring System	*100%
% of Internal Audit Planned Activity delivered by 30 April 2019	100% of Plan by End of April 2019	Internal Audit Performance Monitoring System	100%
% 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	100%
Customer satisfaction questionnaire (Audit Assignments)	Overall customer satisfaction 95%	Questionnaire	**Nil – questionnaires not utilised for this year

\* Please note that measure looks as the timeliness of reporting by the team, and delays caused by the auditees are not factored in.

\*\* Whilst questionnaires were not utilised this year, feedback was provided on completion of each audit and is also discussed as part of the regular meetings with the Director of Finance & Assets.

It should be noted that due to Covid-19 we had two audits delayed and were not completed within the planned timescales. This was due to the internal auditors being re-deployed to support the response to the pandemic; and staff illness due to Covid. All delays were communicated and agreed with the Director of Finance and Assets.

***Maggie Gibb***

*Chief Internal Auditor*

*July 2021*

## Appendix 1: Summary of 2020/21 Audits Performed Informing the Annual Opinion

Audit Assignment (No. Days)	Audit Opinion	No. of Audit Actions by Priority	Summary of Audit Findings
Core Financial Controls (40 Days)	Substantial	High = 0 Medium = 2 Low = 1	<p><b><u>1. Payroll – Authorisation of CPD payments (MEDIUM)</u></b></p> <p><b>Finding:</b> Examination of a sample of 10 permanent changes made to Payroll between April and November 2020 found that in one case, authorisation from a line manager or Director was not held on file. This case involved the addition of CPD payments for an employee following an email from the Training, Learning &amp; Development Assistant. The Payroll and Benefits Manager established that a review of CPD is ongoing. It was agreed through discussion with the Payroll and Benefits Manager that the Line Manager or Budget Holder should be copied in on CPD requests received from OD. Any CPD input should be confirmed with them at the point of processing.</p> <p><b>Risk:</b> If additional recurring payments are actioned on the Payroll system without authorisation from the Line Manager or Budget holder, there is a risk that the employee is not entitled to the payment, leading to unexpected additional expenditure for the Department in which they work and increasing the risk that an overpayment is made to the employee, resulting in a financial loss to the Fire Authority.</p> <p><b><u>2. Payroll – Flow of information from HR to Payroll during Leaver and Change of Role processes (MEDIUM)</u></b></p> <p><b>Finding:</b> Examination of a sample of 10 employees who left the Fire Authority's employment between April and November 2020 found that four leaver notifications were received by Payroll after the leave date. Three of these were received after the payroll cut off for that month. In one case this led to the creation of an overpayment.</p> <p>Discussion with the Payroll and Benefits Manager established that the Leaver process changed during 2019-20. Line managers no longer advised Payroll directly of Leavers. The amended process involves line managers advising HR and HR passing Leaver information on to Payroll. Following iTrent permission changes, Payroll can no longer process Leavers if HR does not have the capacity to or in the event of late leavers after the Payroll cut-off.</p> <p>The result of these process changes is that information reaches Payroll last, sometimes after the employee has already left the organisation, reducing Payroll's ability to address the risk of overpayments. To mitigate overpayments, Payroll manually adjusts pay within the record whilst it is still live. Payroll is more reliant on manual intervention and affects their timeliness in reporting to HMRC.</p> <p>Examination of a sample of ten On-Call and Overtime payments made to staff between April and November 2020 found one case where a request was submitted via email. This was due to a discrepancy with a change in role and a change in Terms and Conditions for the employee.</p> <p>Not all of the necessary managers were involved in this process, and contractual changes were not communicated effectively. This resulted in an overpayment. Corrective action was taken by the employee's line manager and Payroll.</p> <p><b>Risk:</b> If Payroll is not provided with complete and timely information to process Leavers and role changes, there is a risk that Leavers and pay implications of role changes are not actioned on iTrent before Payroll being run, leading to the creation of an overpayment and financial loss to the Fire Authority.</p>

Audit Assignment	Audit Opinion	No. of Audit Actions by Priority	Summary of Audit Findings
Core Financial Controls (40 Days)	Substantial	High = 0 Medium = 2 Low = 1	<p><b><u>3. Creditors - Timely removal of Finance system access (LOW)</u></b></p> <p><b>Finding:</b> A staff member was listed as an active Integra user in November 2020 despite having retired from the organisation in June 2020. Although the role was not linked to a cost centre and the former employee would have had no physical access to Integra due to the system only being accessible via the Fire Authority's internal servers, it is good practice to update all data sets for staff changes, as inactive accounts pose a security risk and are a potential target for hackers.</p> <p>From testing we found that one former employee was listed as a P-Card user registered with Lloyds bank and was still listed as a user on Integra. It was confirmed that there was no continuing access to the card, and it had been deactivated on Integra. Therefore if there was any spend on the purchasing card, this would have been flagged as part of the process of uploading the purchasing card statement from Lloyds into Integra.</p> <p><b>Risk:</b> If P-Card and Integra user access is not removed in a timely manner following the leave date, there is a risk that unauthorised spending is incurred and that card fees are paid for unused cards, leading to financial loss to the Fire Authority.</p>
GDPR	Partial	High = 1 Medium = 3 Low = 1	<p><b><u>1. Data Incidents and Reporting (HIGH)</u></b></p> <p><b>Finding:</b> During the audit fieldwork, the DPO confirmed that there had been no 'reportable breaches' at the Authority.</p> <p>However, after the audit fieldwork, a data breach incident was brought to Internal Audit's attention. The incident was related to an audit report for Staff Members' Equal Pay published within the Overview and Audit Committee agenda pack for the meeting dated 11 November 2020. Discussions with the Director of Finance and Assets confirmed that the report was accessed 20 times before being removed from the public website. An investigation was undertaken by the DPO raising 12 recommendations. The investigation required HR to identify all employees whose personally identifiable information has been published. Also, relevant Managers will be responsible for explaining that information has been released, measures taken, and those being taken to prevent further occurrences.</p> <p><b>Risk:</b> If there is a lack of awareness of reporting for incidents, there is a risk that incidents are not identified and actioned promptly and a risk that reportable breaches are not reported to the ICO which may lead to fines.</p> <p><b><u>2. E-learning modules (MEDIUM)</u></b></p> <p><b>Finding:</b> The Authority has a General Data Protection Regulation (GDPR) and a Cyber Security eLearning module implemented in April 2020. It runs at a two-year frequency for all staff. The People Systems and Learning Design Manager confirmed that as of December 2020, 103 (24%) staff members had completed both modules, and 324 (76%) had not.</p> <p><b>Risk:</b> If an excessive period is granted to staff to complete training, there is a risk of an inconsistent approach to GDPR within the Authority, leading to breaches in legislation.</p> <p><b><u>3. Records of Processing Activities (ROPAs (MEDIUM)</u></b></p> <p><b>Finding:</b> Departments within the Authority are also responsible for retaining their ROPA spreadsheets. However, the Safeguarding ROPA does not include all requirements stated by the ICO. This document did not specify whether it was a controller or a processor nor the retention schedules.</p> <p><b>Risk:</b> If a centralised ROPA is held along with individual departmental ROPAs, the centralised ROPA is not kept up to date as the individual departmental ROPA's. If there is a lack of compliance checks, the risk of ROPAs not being kept up to date furthers.</p>

Audit Assignment	Audit Opinion	No. of Audit Actions by Priority	Summary of Audit Findings
GDPR	Partial	High = 1 Medium = 3 Low = 1	<p><b><u>4. Retention and Destruction (MEDIUM)</u></b></p> <p><b>Finding:</b> 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><b>Risk:</b> If no adequate processes are in place to ensure lawful retention schedules and/or destruction of electronic records, there is a risk of accidental and/or unlawful alteration, destruction, or authorised personal data disclosure.</p> <p><b><u>5. Procedures (LOW)</u></b></p> <p><b>Finding:</b> Review of procedures identified that the Data Quality procedure, Dealing with Requests for Information procedure and Redacting Sensitive Information Procedure referred to an Integrated Impact Assessment, which is no longer in place at the Authority. It was also identified that the Redacting Sensitive Information Procedure did not refer to when it was last reviewed and approved.</p> <p><b>Risk:</b> Where policies and procedures are not reviewed regularly, there is a risk that staff guidance is not fit for purpose, which may lead to breaches in legislation.</p>
Resource Management Application	Partial	High = 1 Medium = 5 Low = 2	<p><b><u>1. Service Reviews (HIGH)</u></b></p> <p><b>Finding:</b> Service reviews are held monthly with the Vendor as part of the managed service contract. It was noted that no formal documentation is provided as part of these service reviews and these reviews are held informally with discussions over the telephone. No formal minutes or documents are retained by the Authority. In addition, the FSR system is cloud based and hosted on behalf of the Authority by the Vendor. Commonly in such scenarios, user organisations (i.e. the Authority) would proactively require independent assurances from the service provider (i.e. the Vendor) in order to provide comfort that those controls outsourced to the service provider by the user organisation operate effectively and continue to maintain effectiveness as IT risks change or emerge.</p> <p><b>Risk:</b> The organisation is wholly reliant on the Vendor for the service provided without any assurances that risks and controls are being managed effectively. A risk that materialises in relation to the service provider environment could potentially have an impact on the Authority's reputation (e.g. a cyber breach at FSR could result in the Authority data leakage).</p> <p><b><u>2. Change Management – Internal Tracking and Assessment (MEDIUM)</u></b></p> <p><b>Finding:</b> The Authority was unable to provide any documentation around the selected changes for inspection. Therefore, we were unable to determine if the change management process had been followed for the selected changes. This included cost benefit analysis and CAB minutes of discussion.</p> <p><b>Risk:</b> There is a risk of implementation of changes that contain bugs, misaligned with business requirements or impact on the continued operation of the production application. Development changes are misclassified, create unforeseen cost and/or are not assessed for business need and risk.</p>

Audit Assignment	Audit Opinion	No. of Audit Actions by Priority	Summary of Audit Findings
Resource Management Application	Partial	High = 1 Medium = 5 Low = 2	<p><b><u>3. Joiners, Movers and Leavers Policy/Procedure (MEDIUM)</u></b></p> <p><b>Finding:</b> We noted that:</p> <ul style="list-style-type: none"> <li>• When a joiner or mover requires new access or a change in access, a ticket is raised in the Vivantio service desk. Within this ticket, a 'child ticket' is sent to the Resource Management Team (RMT) to create/amend the user's access.</li> <li>• This ticket does not capture sufficient information for the RMT operator to provide access.</li> <li>• Often users will be provided access and then request further access as this has not been initially provided. Therefore, access being granted is an iterative process.</li> <li>• The lack of information on the ticket reduces the effectiveness of the audit trail.</li> <li>• Previously, when a user left the organisation, residual access could be left on the account, this is due to there being no formal procedure when revoking access.</li> <li>• The process has slightly changed whereby an operator will look at the user account to check what access they have before removing it.</li> </ul> <p><b>Risk:</b> Unauthorised access to company resources may lead to loss and compromise of data.</p> <p><b><u>4. Generic Accounts (MEDIUM)</u></b></p> <p><b>Finding:</b> We inspected the user account list on FSR and noted that seven generic accounts exist on the FSR application as follows:</p> <ul style="list-style-type: none"> <li>• Five of these accounts have the username 'bucks_demoffX' where X is a number between 1-5. The use and rationale of these accounts was not provided by management;</li> <li>• One account with the username 'rmtcrashtestdummy' which similarly, was not rationalised;</li> <li>• One account has the username 'usardog'. It was noted that this account is created for the canine unit that the Urban Search and Rescue (USAR) team utilise.</li> <li>• It was further noted that the 5 'demoffX' accounts had never logged into FSR, the 'crashtestdummy' account was last accessed in May 2020.</li> </ul> <p><b>Risk:</b> There could be a loss of accountability of user performed actions. Unauthorised access to company resources may lead to loss and compromise of data.</p> <p><b><u>5. Backups – Disaster Recovery Testing (MEDIUM)</u></b></p> <p><b>Finding:</b> Although it was determined that backups are being conducted on the FSR application and that the Vendor are trained to conduct disaster recovery tests, no evidence was available to inspect to demonstrate a disaster recovery test had been performed.</p> <p>We recognise that this is often an annual exercise and FSR has only been in effect at the Authority since April 2020.</p> <p><b>Risk:</b> There is a risk of partial or complete loss of data. Unavailability of systems and lack of business continuity.</p>
Audit Assignment	Audit Opinion	No. of Audit Actions by Priority	Summary of Audit Findings

#### **6. Change Management - Testing Accounts (MEDIUM)**

**Finding:** Testing noted the following:

- The Authority does not have access to a test environment for FSR;
- Changes are developed and tested by the Vendor;
- Functional requirements and subsequent tender review for the application highlighted a question over access to a test environment to perform user acceptance testing (UAT) when a change is being made to the application;
- Changes pass through over 1000 automated tests that are ran on the application to ensure that the change does not impact anything on the application, the change then has specific testing to ensure it is performing the functionality as per the design.
- The Authority does not obtain any assurance from the vendor surrounding the change management process and is thus wholly reliant on the vendor for this.

**Risk:** There is a risk that implementation of changes which are not aligned with business requirements and/or impact on the continued operation of the production application. Implementation of developments containing bugs or not matching the business' requirements.

#### **7. User Access Reviews (LOW)**

**Finding:** We noted that periodic user access reviews are not undertaken by the Resource Management Team at the authority when managing users access. Although a review of user access was completed in July 2020, there are no plans for this to continue.

**Risk:** There is a risk of inappropriate access to the Authority's resources.

#### **8. Password Configuration (LOW)**

**Finding:** Fire service rota does not use traditional password configuration to manage passwords at a group level. FSR uses an 'entropy plugin' to set password configurations for all users which are set at 40 bits.

Although 40 bits of entropy is considered 'reasonable' in regard to network and company passwords, full control over password parameters cannot be implemented as FSR (the application) does not allow for editing of password configuration.

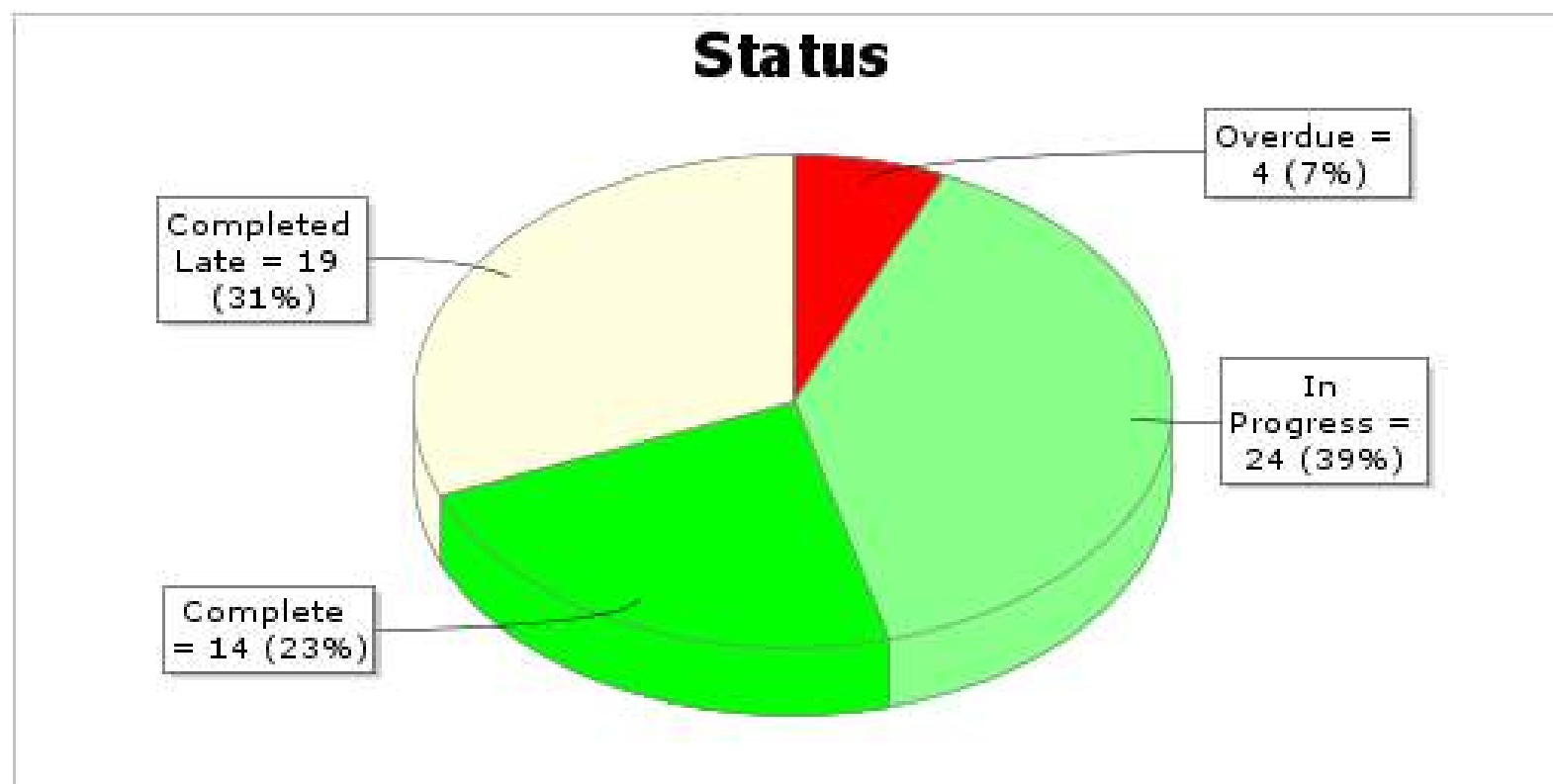
**Risk:** There is a risk of unauthorised access to company resources due to weak password configuration, which increases the likelihood of a brute force attack.

Audit Assignment	Audit Opinion	No. of Audit Actions by Priority	Summary of Audit Findings
Asset Management System	Partial	High = 6 Medium = 4 Low = 0	<p><b><u>1. System Transactions and Records – Leaver access not removed (HIGH)</u></b></p> <p><b>Finding:</b> A sample of five former employees who left between April and November 2020 was examined. Of these five leavers:</p> <ul style="list-style-type: none"> <li>• Four were listed as current users in RedKite, with all four having Requisition access.</li> <li>• Four leavers were listed on a Redkite system report of users with 'Equipment change location access', meaning they have access to move an asset's location on Redkite.</li> </ul> <p>Redkite is not anchored to the Fire Authority's IP address. This means it can be accessed from a personal computer and accessed by leavers listed as active users who no longer have physical access to the Fire Authority's buildings and computers. Discussion with the Asset Management Team and review of Leaver emails also found that removing leavers from the Redkite system is not included on the Leaver checklist listed within the email.</p> <p><b>Risk:</b> If a leaver's access permissions are not removed promptly, there is a risk of unauthorised access to the system, leading to data breaches, manipulating system data and increasing the risk of theft of assets.</p> <p><b><u>2. System Transactions and Records – Resilience in the Asset Management Team (HIGH)</u></b></p> <p><b>Finding:</b> The Asset Management Team established that the Asset and Equipment Manager had been absent for three months. As a result, the Asset Management Technician had picked up the majority of her responsibilities regarding the Asset Management System. Also, telephone calls still had to be made to the absent Manager in certain situations. The Technician stated that he was still learning what she used to do. Many of the processes, other than the Redkite user processes, were found not to be documented. The Manager appeared to be the only staff member trained in carrying out many of these tasks. This demonstrates a resilience issue in the team.</p> <p><b>Risk:</b> If adequate measures are not in place to build resilience and mitigate single points of failure within the team, there is a risk that in the event of a prolonged team absence or a team member leaving the Fire Authority, the Asset Management Team cannot continue business as usual operations.</p> <p><b><u>3. Asset Management Planning, Policies and Procedures – Processes not documented (HIGH)</u></b></p> <p><b>Finding:</b> Many processes were found not to be documented. This included tasks carried out by the Asset Management and Equipment Manager, Asset Management Technician and in the Stores/Mezzanine area that feed into RedKite.</p> <p>It was apparent that there was little awareness between team members and by the Station Commander Research &amp; Development, of what other team members do. Especially of the tasks carried out in the Mezzanine, which are mostly manual and completed outside of Redkite.</p> <p>The team would benefit from mapping the process end to end to better understand their processes and where improvements can be made and help build resilience.</p> <p><b>Risk:</b> If processes are not sufficiently documented there is a risk that staff are unaware of their roles and responsibilities. This could lead to inefficient and inconsistent use of the Asset Management System and reducing the reliability of the data it holds.</p>

Audit Assignment	Audit Opinion	No. of Audit Actions by Priority	Summary of Audit Findings
Asset Management System	Partial	High = 6 Medium = 4 Low = 0	<p><b><u>4. Recording of Assets – Inaccurate record of tests due (HIGH)</u></b></p> <p><b>Finding:</b> During a visit to Beaconsfield Fire Station, it was noted that there was a discrepancy between the number of tests due as seen on the report generated by the Station Commander and those listed for crew users. For example, 87 due tests were listed for the Station Commander for appliance 51P1, but only three listed on the same report viewed by a crew user account.</p> <p>Further discussion with the Station Commander and Asset and Equipment Manager established that the due tests identified are not carried out by fire crews, but by outside contractors and workshops staff and are therefore not visible to operational crews. This indicates that contractor and workshop tests are not always recorded on Redkite.</p> <p><b>Risk:</b> If an accurate list of tests due to be undertaken cannot be viewed by management on Redkite, there is a risk that due tests are not completed, increasing the risk that equipment is obsolete or unsafe.</p> <p><b><u>5. Recording of Assets – Overdue tests (HIGH)</u></b></p> <p><b>Finding:</b> Review of the report of tests due at Beaconsfield Fire Station run from Redkite found that 286 of the 288 tests listed had passed the due date as of 12 November, with one due date listed as being 13 February 2014 and 118 listed as having due dates of 2019 or earlier.</p> <p>A similarly high number of overdue tests were noted for Aylesbury Fire Station as of 3 November 2020. All 179 tests were overdue when viewed against the listed due date. Through discussion with the Station Commander, we were unable to establish whether these tests had been carried out or whether this was a system issue or data quality issue.</p> <p>A sample of 20 assets listed on Redkite was examined to confirm whether equipment tests and inventory checks were carried out promptly and accurately recorded on Redkite. The period covered was from November 2019 to November 2020. Of the 20 assets tested:</p> <ul style="list-style-type: none"> <li>• In 11 cases, assets were not tested in line with the frequency required by tests loaded onto Redkite.</li> <li>• In four cases, the most recent test was not carried out within a timely manner of the previous test.</li> <li>• In one case, no inventory checks or tests had been carried out since March 2018. In two other cases, an inventory was carried out promptly. However, no tests were carried out on the equipment since 2018 or earlier. In one of these cases, the most recent test was listed as being carried out in October 2014.</li> <li>• One asset was not found during an inventory check.</li> </ul> <p><b>Risk:</b> If tests are not carried out periodically and promptly in line with the testing schedule loaded into Redkite for the asset, there is a risk that defective or missing equipment is not detected, increasing the risk that equipment is obsolete or unsafe or that stock levels are not sufficient.</p>

Audit Assignment	Audit Opinion	No. of Audit Actions by Priority	Summary of Audit Findings
Asset Management System	Partial	High = 6 Medium = 4 Low = 0	<p><b><u>6. Recording of Assets – Inaccurate records of stock (HIGH)</u></b></p> <p><b>Finding:</b> A sample of 25 items was selected from the report of current assets generated from Redkite to check whether the assets could be found in the Stores and Workshops area. Of the 25 assets:</p> <ul style="list-style-type: none"> <li>Sixteen assets could not be found. In one of these 16 cases, the asset had a system-assigned equipment number but no barcode number or serial number, which are the numbers used by the Authority to identify assets uniquely. If the asset was present in Stores, there would be no unique identifier in Redkite to identify the asset. Values were listed for six of the 16 items that were not located. The highest of these was £345. The total value of items not found for which the value was listed was £687.69.</li> </ul> <p>A further sample of 25 items was selected at random from the Stores area to check whether the assets could be identified on the Asset Management System. Of the 25 assets selected:</p> <ul style="list-style-type: none"> <li>Seven did not have a label or tag with the barcode number. Of the seven that were not marked or labelled, three had a serial number. However, the serial number could not be found in Redkite.</li> <li>In the 18 cases where the asset had a barcode label, nine assets could not be identified on Redkite.</li> <li>In the nine cases where the asset was identified on Redkite, one asset was found in Stores. However, it was listed on the system as being in Stokenchurch.</li> </ul> <p>Further testing was carried at Beaconsfield Fire Station. A sample of ten assets was selected from the report of current assets listed on Redkite. Of the ten assets selected:</p> <ul style="list-style-type: none"> <li>Two assets were not found at the fire station. One of these assets was a battery for a handheld radio. Discussion with the Station Commander established that these are always listed as auxiliary equipment linked to the station and are not scanned when moved to an appliance or someone takes it with them. However, during the audit visit, the fire crews searched the station appliances (vehicles) for the asset, and it could not be found.</li> <li>Of the eight assets found, one was not marked with a barcode label, tag or number.</li> </ul> <p><b>Risk:</b> If a complete and accurate record of assets and their location is not held on the Asset Management System, there is a risk that the value of the assets on the accounts will be misstated and that assets are not readily available to meet service requirements.</p> <p><b><u>7. System Transactions and Records – Redkite system recovery time (MEDIUM)</u></b></p> <p><b>Finding:</b> Review of the contract with Redkite for the Asset Management System provision found that system recovery arrangements were detailed within the contract. However, the contract does not include an agreed time frame or KPI for the system to be reinstated in the event of system failure.</p> <p><b>Risk:</b> If a system recovery time is not agreed with the Asset Management System provider, there is a risk that in the event of a system outage, the system is not recovered promptly, leading to an inability to continue business as usual operations.</p>

Audit Assignment	Audit Opinion	No. of Audit Actions by Priority	Summary of Audit Findings
Asset Management System	Partial	High = 6 Medium = 4 Low = 0	<p><b><u>8. System Transactions and Records – Assurance of back-ups (MEDIUM)</u></b></p> <p><b>Finding:</b> The RedKite website's review found that the 'Free Hosting' service offered as part of the Asset Management System includes incremental daily back-ups with a full back-up carried out every Tuesday.</p> <p>Whilst reference is not made in the contract to this free hosting service and what it includes, the annual hosting, licence, support, and maintenance fee is specified as a deliverable. However, the Authority does not receive assurance from Redkite that back-ups are taking place in line with the frequency stated.</p> <p><b>Risk:</b> If the Fire Authority is not provided with the assurance that back-ups occur, there is a risk that system data is not backed up in line with the terms of the agreement, leading to data loss in the event of a system outage.</p> <p><b><u>9. System Transactions and Records – Scanners no longer supported (MEDIUM)</u></b></p> <p><b>Finding:</b> Through a walkthrough of the handheld scanner process with fire crews, it was noted that a security alert appears every time the scanner is switched on. The alert states that the security certificate has expired or is not yet valid. Further discussion with the Station Commander and Asset Management Technician noted that Microsoft no longer supports the operating system's version on the scanners. This presents a vulnerability to external attacks wishing to access the system's data.</p> <p><b>Risk:</b> If software is not supported and the security certificate is not valid, there is a risk that control measures to mitigate cybersecurity risks are not sufficient, leading to potential data breaches and a loss of data.</p> <p><b><u>10. Management Information – Stock checks (MEDIUM)</u></b></p> <p><b>Finding:</b> An independent annual stock check, including stock not held centrally, should be carried out by someone from outside of the Asset Management Team and recorded on the Asset Management System. This will assist in assuring senior management over the accuracy of the information held in the Asset Management System and stock levels.</p> <p>Additionally, regular stock checks should be carried out by the Asset Management Team and reconciled to system records to identify any anomalies and reduce the risk of loss.</p> <p>Review of stock checks recorded on Redkite found that the most recent stock check was the Mezzanine Stock Take 2018/19 completed on 1 April 2019. No stock checks were recorded on RedKite for 2020/21 as of November 2020.</p> <p>Discussion with the Asset Management Team and review of Redkite found that the annual independent stock check was due to be carried out in March 2020. However, as a result of the Government's measures to combat Covid-19, this was cancelled, and no new date was set. The most recent independent stock check recorded in RedKite was completed on 1 April 2019.</p> <p><b>Risk:</b> If periodic stock checks are not completed and recorded on Redkite, there is a risk that inaccuracies in the information recorded on Redkite are not detected, and low stock levels of critical assets are not identified, increasing the risk of theft and financial loss.</p> <p>Where independent stock checks are not carried out on an annual basis, there is an additional risk that senior management does not receive adequate assurance over stock levels and the accuracy of the information held in the Asset Management System.</p>



*\* This is a summary status of all audit recommendations raised from 2017/18 to date.*

## Detailed Description of Overdue Audit Actions as at 20 June 2019

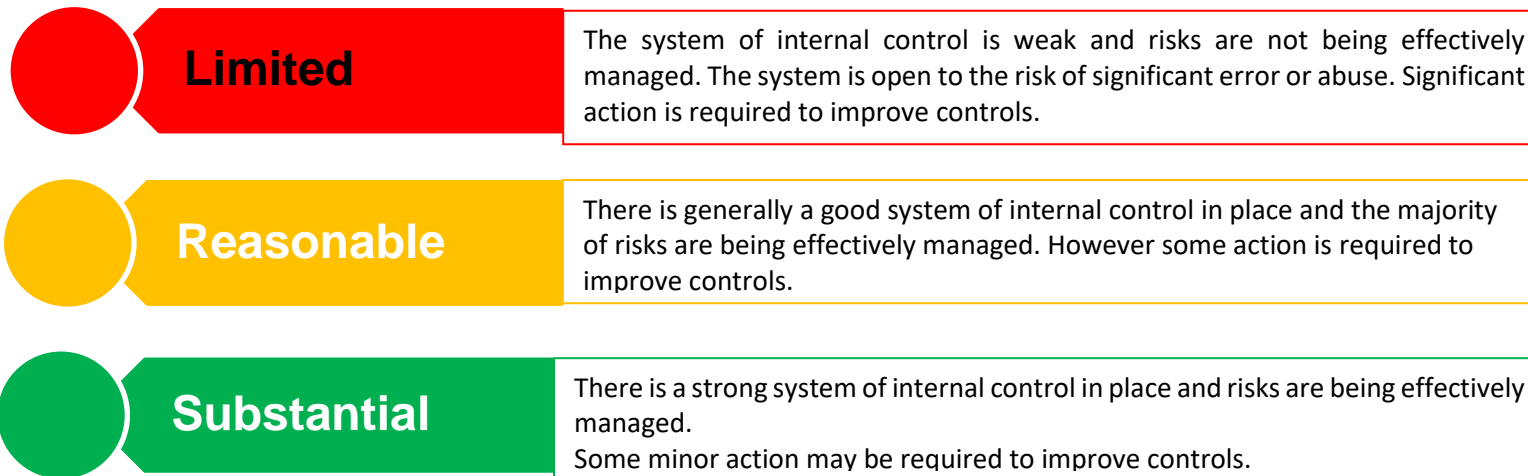
Title	Priority	Due Date	Description	Latest Note
Fleet Management (1a & b) Tranman Review	Medium Priority	31-Aug-2017	<p><b>Finding</b> In discussion with the Fleet Manager it was confirmed that the latest Tranman training was delivered circa. December 2015 through a one day training event. This training event covered a large amount of materials in a short period of time and meant that a number of key topics were not covered in their entirety or in sufficient detail to fully absorbed the information to the required standard.</p> <p>Since the training was delivered there have also been a number of staff changes, resulting in three members of staff, from a five person team who use the Tranman system, never being taught the full system and how to use the software from the software provider. This has led to potential under-utilisation of the software and some inconsistencies in the use of the system potentially compromising data integrity and alignment of processes.</p> <p>In addition it was noted that there are current reporting issues through the Crystal Reporting function, which added to the potential inconsistencies in the use of the system means reporting functions cannot be fully relied upon to provide up to date and valid information to base decisions upon. Audit acknowledges that the reporting issue is currently being investigated by Tranman.</p> <p><b>Risk</b> Where training is not provided on a periodic basis, staff may adopted inappropriate, ineffective, and / or out dated working practices.</p> <p><b>Action</b> 1a) Tranman to carry out a review of the current system and its utilisation and offer options for further utilisation of the current system, available 'upgrades' and system improvements. This information can then be analysed to ascertain the most appropriate action. 1b) Identify training requirements, system improvements and possible upgrades for implementation in 2018/19 (depending on funding requirements).</p>	<p>Update from Jez Finden, Fleet Manager:</p> <p>There have been delays due to COVID, leave and the Christmas break, but we are now in the final stages of implementation – we are working through issues identified during UAT and expect to 'go-live' towards the end of this month (Feb).</p>
BMKFA 1718 1830 Property Management (1) Red Kite Functionality	Low Priority	31-Mar-2020	<p><b>Finding</b> Review of 10 Reactive Works jobs on Red Kite, identified two red rated jobs which were closed within 24 hours of the job being open, this cannot confirm whether it was made operationally safe within the four hour timeframe. There were also two Amber Rated jobs, one of which was closed within 72 Hours and the other 144 hours.</p> <p><b>Risk</b> Where the Authority are unable to hold record events as they become operationally safe, there is a lack of information available to confirm whether these internal targets are being consistently met.</p> <p><b>Action</b> As part of the latter phase of the BASI project it is intended to review the current asset management systems utilised by the Authority, part of this review will examine the case for improving the functionality of existing systems working with the suppliers to develop them accordingly. This work is currently scheduled for early 2019.</p>	<p>Update from Gordon Wylie, Property Manager:</p> <p>Nothing has been started due to pandemic and national lockdown. This is a very low priority.</p>

Title	Priority	Due Date	Description	Latest Note
BMKFA 1819 1947 Project Management BLH (2) The Hub Performance	Medium Priority	31-Oct- 2019	<p><b>Finding</b> During the Audit it was confirmed that the HUB have had difficulties with technical support; which has had an impact of the timeliness of design work, changes or updates and which in turn has led to delays in providing information that is required by Kingerlee – the construction firm. The Quantity Surveyor maintains a schedule of delays caused by the HUB and the associated costs. It was confirmed that any financial implications that arise as a result of the HUB's poor performance could potentially be recoverable. However Audit found that whilst these potentially recoverable costs are reflected in the Budget Monitoring Financial Statements, they are not separately identified as attributable to any party as this will be the subject of negotiation between all parties depending on final outcomes at the conclusion of construction. The risk of HUB poor performance has been recorded in the risk register.</p> <p>It was confirmed that the Director for the HUB Professional Services has been made aware of potentially recoverable costs and the issues that were causing poor performance have been addressed.</p> <p><b>Risk</b> Where the impact of poor performance is not completely and accurately reflected in the budget and/or risk register, this may lead to project overspend as the budget will not be forecasting all expected costs.</p> <p><b>Action</b> The necessary actions to deal with potential financial loss arising from delays on the part of HUB have already been addressed during 2018 and a significant improvement has been seen. The current delay in the construction programme (5-6 weeks) has not altered for some months.</p> <p>Both the HUB and Kingerlee have a responsibility to mitigate any delay as much as possible and with some 8 months of construction still to take place at the time of writing (Feb 2019) they must both maintain the opportunity to do so.</p> <p>Only at post construction and during the period when the final account will be negotiated and agreed, will any financial loss due to delays or failures be attributed.</p> <p>The Director of HUB's parent company (Integral UK Ltd) has been in discussions with both DFA and Property Manager and he is well aware of the potential claim the Authority may have in due course.</p> <p>The financial statements produced by the QS do show all costs (i.e. worst case) but do not at this stage set out which potentially claimable costs are attributable to which parties.</p> <p>The Authority's officers will continue to maintain dialogue with senior representatives at both the HUB and Kingerlee over any potential situation (either worsening or improving) that may lead to a claim.</p>	<p>Update from Mark Hemming, Director of Finance and Assets:</p> <p>The final account still hasn't been settled, and until it is, we are unable to proceed further with any potential claim.</p>

Title	Priority	Due Date	Description	Latest Note
BMKFA 1819 1948 Stores (2) Asset Review	High Priority	31-Dec-2019	<p><b>Finding</b> Staff are required to undertake regular asset checks. The frequency of these inventory checks are dependent on the type of items, with this being determined by the PIT Number each asset is assigned. When the staff check the assets, a device would be used to scan the tag label of each asset to show that the asset has been located and checked. Once the staff have scanned the item, evidence of this scan is registered automatically on Red Kite. During these inventory checks the staff will declare if they have found the asset and if it is inadequate or faulty.</p> <p>A sample of ten items was selected randomly from the Red Kite system. These were tested to see if the items had been checked in accordance with the frequency required. In two cases the location of the items was not found and the item had not been checked as a result.</p> <p><b>Risk</b> Where assets are not checked on a regular basis, there is a risk that faulty or inadequate items are being held and used by staff members.</p> <p><b>Action</b> Inventory checks should be reviewed by the Asset Management Systems Officer. Where the inventory checks have not been undertaken on a consistent basis, this will be followed up with staff.</p>	Follow-up as part of the Asset Management System audit found that this action was not implemented. The action is going to be followed up as part of the 21/22 process mapping work being undertaken by Internal Audit.

### Appendix 3 Definition of Assurance Opinions

For each audit an opinion was determined firstly on the framework of controls that exist for that operational area and secondly on compliance with the controls. From this an overall audit opinion is given for each audit. An opinion on the quality of risk management in place is also provided. Work has been planned and performed so as to obtain all the information and explanations which were considered necessary to provide sufficient evidence in forming an audit opinion. The range of audit opinions is:-



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# Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Overview and Audit Committee – 21 July 2021

**Report title:** Ernst & Young Audit Plan 2020/21

**Lead Member:** Chairman of the Overview and Audit Committee

**Report sponsor:** Mark Hemming, Director of Finance and Assets

**Author and contact:** Mark Hemming [mhemming@bucksfire.gov.uk](mailto:mhemming@bucksfire.gov.uk)

**Action:** Noting

**Recommendations:** That the Audit Plan 2020/21 (Annex A) be noted.

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## Executive summary:

The report at Annex A sets out the plan of activity for the Authority's external auditors, Ernst & Young, for their work in relation to the financial year 2020/21.

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**Financial implications:** The external audit fee is included within the current budget. Whilst there are no directly applicable matters as part of this report, a key element of the service provided by Ernst & Young is to provide an opinion on the financial integrity of the Authority. This will include such issues as the arrangements for setting, reviewing and implementing strategic and operational objectives; performance monitoring, including budget monitoring; achievement of strategic objectives and best value performance indicators. This will also include associated issues such as medium-term financial planning, management of the asset base and the arrangements to promote and ensure probity and propriety.

**Risk management:** The work carried out by Ernst & Young and their opinion of the Authority's financial integrity and ability to provide council taxpayers with value for money, is an essential part of the authority's governance arrangements and a key element of the annual Statement of Assurance.

**Legal implications:** None

**Privacy and security implications:** None

**Duty to collaborate:** None

**Health and safety implications:** None

**Environmental implications:** None

**Equality, diversity, and inclusion implications:** None

**Consultation and communication:** None

**Background papers:**

Appendix	Title	Protective Marking
1	Annex A – Ernst & Young Audit Plan 2020/21	



# Buckinghamshire and Milton Keynes Fire Authority

Audit planning report  
Year ended 31 March 2021  
7 June 2021



Private and Confidential

7 June 2021

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

Dear Overview and Audit Committee Members

#### Audit planning report

We are pleased to attach our Audit Plan which sets out how we intend to carry out our responsibilities as auditor. Its purpose is to provide the Overview and Audit Committee with a basis to review our proposed audit approach and scope for the 2020/21 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements. It is also to ensure that our audit is aligned with the Committee's service expectations.

This plan summarises our initial assessment of the key risks driving the development of an effective audit for the Authority, and outlines our planned audit strategy in response to those risks. We will update the Overview and Audit Committee if our assessment changes during the course of the audit.

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

We welcome the opportunity to discuss this report with you on 21 July 2021 as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

Neil Harris

For and on behalf of Ernst & Young LLP

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

The "Terms of Appointment and further guidance (updated April 2018)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

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



01

# Overview of our 2020/21 audit strategy



## Overview of our 2020/21 audit strategy

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Overview and Audit Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

### Audit risks and areas of focus

Risk / area of focus	Risk identified	Change from PY	Details
Inappropriate capitalisation of revenue expenditure	Fraud risk	No change in risk or focus	Under ISA 240, there is a presumed risk that revenue may be misstated due to improper recognition of revenue. Management is in a unique position to perpetrate fraud through the override of controls. We have considered the main areas where management may have the incentive and opportunity to do this. We have identified the inappropriate capitalisation of revenue expenditure on property, plant and equipment as an area of risk, given the extent of the Authority's capital programme.
Valuation of Blue Light Hub	Significant risk	New risk for 2020/21	The Blue Light Hub has now been completed and is being valued for the first time for the 2020/21 financial statements. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances for it to be recorded in the balance sheet. Therefore there is a risk that the Blue Light Hub could be materially mis-stated in the financial statements.
Valuation of land and buildings	Inherent risk	Decrease in risk	For the 2019/20 audit this was a significant risk due to Covid-19 and the valuers stating there was material uncertainty in their reports. We do not expect the valuers to be expressing material uncertainty in their reports for 2020/21 and our work last year established that Covid-19 did not have a significant impact on the valuation of specialised valued at DRC and no material misstatements were identified from our work on valuation assumptions. However, Property, Plant and Equipment (PPE) represents significant balances in the Authority's accounts and is subject to valuation changes, impairment reviews and depreciation charges. Material judgemental inputs and estimation techniques are required to calculate the year-end PPE balances held in the balance sheet. As the Authority's asset base is significant, and the outputs from the valuer are subject to estimation, there is a higher inherent risk assets may be under/overstated or the associated accounting entries incorrectly posted.

## Overview of our 2020/21 audit strategy

### Audit risks and areas of focus

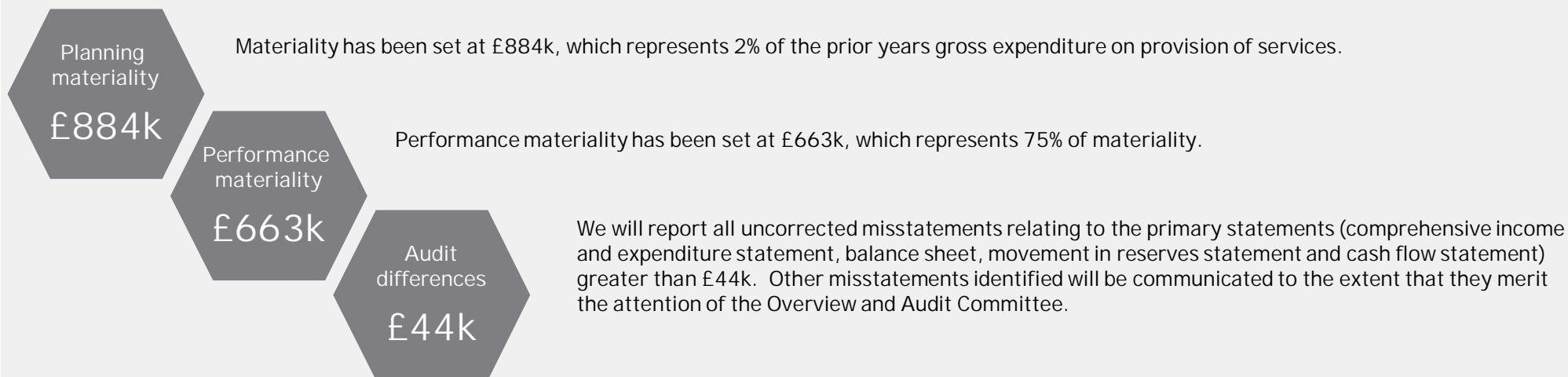
Risk / area of focus	Risk identified	Change from PY	Details
Pension liability valuation	Inherent risk	No change in risk or focus	<p>The Local Authority Accounting Code of Practice and IAS19 require the Authority to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Buckinghamshire Council and the Firefighters Pension Scheme.</p> <p>The Authority's pension fund liabilities are material estimated balances and the Code requires that these liabilities be disclosed on the Authority's balance sheet.</p> <p>The information disclosed is based on the IAS 19 reports issued to the Authority by the actuary of the Pension Schemes. Accounting for these schemes involves significant estimation and judgement and due to the nature, volume and size of the transactions we consider this to be a higher inherent risk.</p>
Going Concern: Compliance with ISA 570	Inherent risk	No change in risk or focus	<p>The unpredictability of the current environment gives rise to a risk that the Authority would not appropriately disclose the key factors relating to going concern, underpinned by a management assessment with particular reference to Covid-19 and the Authority's actual year end financial position and performance for the going concern period of 12 months after the auditor's report date.</p>

### Auditing accounting estimates

In addition to the above risks and areas of focus, a revised auditing standard has been issued in respect of the audit of accounting estimates. The revised standard requires auditors to consider inherent risks associated with the production of accounting estimates. These could relate, for example, to the complexity of the method applied, subjectivity in the choice of data or assumptions or a high degree of estimation uncertainty. As part of this, auditors now consider risk on a spectrum (from low to high inherent risk) rather than a simplified classification of whether there is a significant risk or not. At the same time, we may see the number of significant risks we report in respect of accounting estimates to increase as a result of the revised guidance in this area. The changes to the standard may affect the nature and extent of information that we may request and will likely increase the level of audit work required.

# Overview of our 2020/21 audit strategy

## Materiality – Buckinghamshire and Milton Keynes Fire Authority



## Timeline

MHCLG after consultation have agreed that the 30 September for the publication of audited accounts was appropriate and that the removal of the common inspection date, requiring instead that the draft accounts be published no later than 1 August, was also appropriate. The Accounts and Audit (Amendment) Regulations 2021, which will implement these changes, were laid on 9 March and are come into force on 31 March 2021. On 3<sup>rd</sup> June 2021, we issued a national letter to PSAA audited bodies setting out the principles we will follow to schedule high-quality 2020-2021 audits. Since these are very recent developments, in Section 07, we have therefore included a provisional timeline for the audit.

## Fees

We include further details on the planned fees for 20/21, and factors affecting the scale fee, in Section 09.

# Overview of our 2020/21 audit strategy

## Audit scope

This Audit Plan covers the work that we plan to perform to provide you with:

- Our audit opinion on whether the financial statements of Buckinghamshire and Milton Keynes Fire Authority give a true and fair view of the financial position as at 31 March 2021 and of the income and expenditure for the year then ended; and
- Our commentary against specified reporting criteria (see Section 03) on the arrangements the Authority has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

We will also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the Authority's Whole of Government Accounts return.

Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

When planning the audit we take into account several key inputs:

- Strategic, operational and financial risks relevant to the financial statements;
- Developments in financial reporting and auditing standards;
- The quality of systems and processes;
- Changes in the business and regulatory environment; and,
- Management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the Authority.

Taking the above into account, and as articulated in this audit plan, our professional responsibilities require us to independently assess the risks associated with providing an audit opinion and undertake appropriate procedures in response to that. Our Terms of Appointment with PSAA allow them to vary the fee dependent on "the auditors assessment of risk and the work needed to meet their professional responsibilities". PSAA are aware that the setting of scale fees has not kept pace with the changing requirements of external audit with increased focus on, for example, the valuations of land and buildings, the valuation of pension obligations, the introduction of new accounting standards such as IFRS 9 and 15 in recent years as well as the expansion of factors impacting the value for money conclusion. In Section 9 we have highlighted where additional work will be required for 2020/21 at this stage. We will discuss with management the associated fees as the audit progresses.

## Overview of our 2020/21 audit strategy (cont.)

### Value for money conclusion

One of the main changes in the NAO's 2020 Code is in relation to the value for money conclusion. We include details in Section 03 but in summary:

- We are still required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.
- Planning on VFM and the associated risk assessment is now focused on gathering sufficient evidence to enable us to document our evaluation of the Authority's arrangements, to enable us to draft a commentary under three reporting criteria (see below). This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations.
- We will be required to provide a commentary on the Authority's arrangements against three reporting criteria:
  - Financial sustainability - How the Authority plans and manages its resources to ensure it can continue to deliver its services;
  - Governance - How the Authority ensures that it makes informed decisions and properly manages its risks; and
  - Improving economy, efficiency and effectiveness - How the Authority uses information about its costs and performance to improve the way it manages and delivers its services.
- Within the audit opinion we will still only report by exception where we are not satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- The commentary on arrangements will be included in a new Auditor's Annual Report which we will be required to issue at the same time as we issue the audit opinion on the financial statements.



## 02 Audit risks





## Audit risks

### Our response to significant risks

We have set out the significant risks (including fraud risks denoted by\*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

#### Inappropriate capitalisation of revenue expenditure \*

#### Financial statement impact

Inappropriate capitalisation of revenue expenditure would decrease the net expenditure from the general fund, and increase the value of non-current assets.

#### What is the risk?

Under ISA 240, there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

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

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

#### What will we do?

Our approach will focus on:

- For significant additions, we will examine invoices, capital expenditure authorisations, leases and other data that support these additions. We review the sample selected against the definition of capital expenditure in IAS 16.
- We will extend our testing of items capitalised in the year by lowering our testing threshold. We will also review a larger random sample of capital additions below our testing threshold.
- Journal testing – we will use our testing of Journals to identify high risk transactions, such as items originally recorded as revenue expenditure and subsequently capitalised.



## Audit risks

### Our response to significant risks

We have set out the significant risks (including fraud risks denoted by\*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

	What is the risk?	What will we do?
<b>Valuation of Blue Light Hub</b>	<p>The Blue Light Hub has now been completed and is being valued for the first time for the 2020/21 financial statements.</p> <p>Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances for it to be recorded in the balance sheet.</p> <p>Therefore there is a risk that the Blue Light Hub could be materially mis-stated in the financial statements.</p>	<p>We will:</p> <ul style="list-style-type: none"><li>▶ Consider the work performed by the Authority's valuers, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;</li><li>▶ Review key asset information used by the valuers in performing their valuation (e.g. floor plans to support valuations based on price per square metre);</li><li>▶ Consider the potential impact of Covid-19 on valuation uncertainties; and</li><li>▶ Test accounting entries have been correctly processed in the financial statements.</li><li>▶ We will be engaging EY Real Estates, valuation specialists to assist the audit team to gain assurance that the valuation of the Blue Light Hub is materially correct.</li></ul>
<b>Financial statement impact</b>		
Misstatements that occur in relation to valuation could affect the year end carrying value of property, plant and equipment.		

## Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters we will include in our audit report.

### What is the risk/area of focus?

#### Valuation of Land and Buildings

The fair value of Property, Plant and Equipment (PPE) represent significant balances in the Authority's accounts and are subject to valuation changes, impairment reviews and depreciation charges. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.

#### Pension Liability Valuation

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

The Authority's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the Authority's balance sheet. At 31 March 2020 this totalled £286 million.

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

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

### What will we do?

#### We will:

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

#### We will:

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



## Audit risks

### Other areas of audit focus (cont.)

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures.

#### What is the risk/area of focus?

##### Going Concern Compliance with ISA 570

There is a presumption that the Authority will continue as a going concern for the foreseeable future. However, the Authority is required to carry out a going concern assessment that is proportionate to the risks it faces. In light of the continued impact of Covid-19 on its income sources, there is a need for the Authority to ensure its going concern assessment, including its cashflow forecast, is thorough and appropriately comprehensive.

The Authority is then required to ensure that its going concern disclosure within the statement of accounts adequately reflects its going concern assessment and in particular highlights any uncertainties it has identified. We consider the unpredictability of the current environment to give rise to a risk that the Authority will not appropriately disclose the key factors relating to going concern, underpinned by managements assessment with particular reference to Covid-19.

#### What will we do?

We will:

- Continue to assess the adequacy of disclosures required in 2020/21, and the impact on our opinion, should these be inadequate;
- Obtain management's going concern assessment and review for any evidence of bias and consistency with the accounts;
- Review the financial modelling and forecasts prepared by the Authority. This will consider key assumptions, stress testing applied to those assumptions and consider the risk to cashflow up to at least 12 months after the signing date of the accounts and opinion;
- Ensure that an appropriate going concern disclosure has been made within the financial statements; and
- Consider the impact on our audit report and comply with EY consultation requirements, if such are determined appropriate.

## Other areas of audit focus (cont.)

### Auditing accounting estimates

ISA 540 (Revised) - Auditing Accounting Estimates and Related Disclosures applies to audits of all accounting estimates in financial statements for periods beginning on or after December 15, 2019.

This revised ISA responds to changes in financial reporting standards and a more complex business environment which together have increased the importance of accounting estimates to the users of financial statements and introduced new challenges for preparers and auditors.

The revised ISA requires auditors to consider inherent risks associated with the production of accounting estimates. These could relate, for example, to the complexity of the method applied, subjectivity in the choice of data or assumptions or a high degree of estimation uncertainty. As part of this, auditors consider risk on a spectrum (from low to high inherent risk) rather than a simplified classification of whether there is a significant risk or not. At the same time, we expect the number of significant risks we report in respect of accounting estimates to increase as a result of the revised guidance in this area.

The changes to the standard may affect the nature and extent of information that we may request and will likely increase the level of audit work required, particularly in cases where an accounting estimate and related disclosures are higher on the spectrum of inherent risk. For example:

We may place more emphasis on obtaining an understanding of the nature and extent of your estimation processes and key aspects of related policies and procedures. We will need to review whether controls over these processes have been adequately designed and implemented in a greater number of cases.

We may provide increased challenge of aspects of how you derive your accounting estimates. For example, as well as undertaking procedures to determine whether there is evidence which supports the judgments made by management, we may also consider whether there is evidence which could contradict them.

We may make more focussed requests for evidence or carry out more targeted procedures relating to components of accounting estimates. This might include the methods or models used, assumptions and data chosen or how disclosures (for instance on the level of uncertainty in an estimate) have been made, depending on our assessment of where the inherent risk lies.

You may wish to consider retaining experts to assist with related work. You may also consider documenting key judgements and decisions in anticipation of auditor requests, to facilitate more efficient and effective discussions with the audit team.

We may ask for new or changed management representations compared to prior years.



## 03 Value for Money Risks





# Value for Money

## The Authority's responsibilities for value for money

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

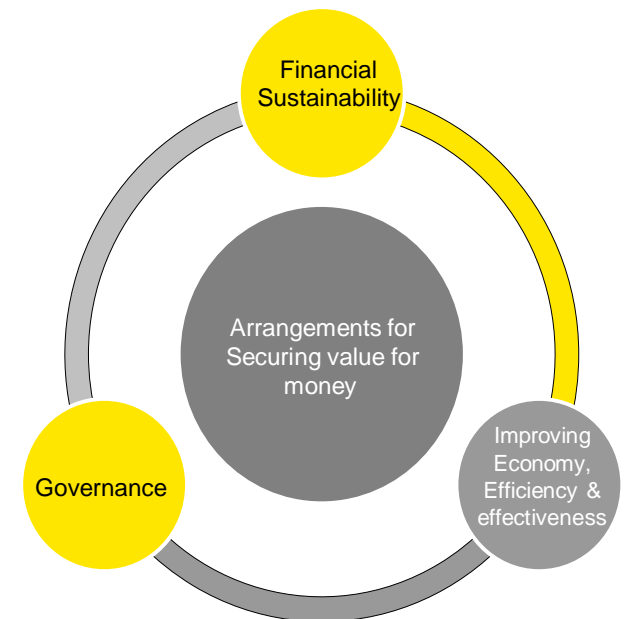
As part of the material published with its financial statements, the Authority is required to bring together commentary on its governance framework and how this has operated during the period in a governance statement. In preparing its governance statement, the Authority tailor's the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on its arrangements for securing value for money from their use of resources.

## Auditor responsibilities under the new Code

On 1 April 2020, the NAO's new Code of Audit Practice (the 2020 Code) came into force. This sets out how local auditors are expected to approach and report their work on value for money (VFM) arrangements under the new Code and applies to audits of 2020/21 financial statements onwards. Under the 2020 Code, we are still required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. However, there is no longer overall evaluation criterion which we need to conclude on. Instead the 2020 Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Authority a commentary against specified reporting criteria (see below) on the arrangements the Authority has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:

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



## Planning and identifying VFM risks

The NAO's guidance notes require us to carry out a risk assessment which gathers sufficient evidence to enable us to document our evaluation of the Authority's arrangements, in order to enable us to draft a commentary under the three reporting criteria. This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations. This is a change to 2015 Code guidance notes where the NAO required auditors as part of planning, to consider the risk of reaching an incorrect conclusion in relation to the overall criterion.

In considering the Authority's arrangements, we are required to consider:

- The Authority's governance statement
- Evidence that the Authority's arrangements were in place during the reporting period;
- Evidence obtained from our work on the accounts;
- The work of inspectorates and other bodies and
- Any other evidence source that we regard as necessary to facilitate the performance of our statutory duties.

We then consider whether there is evidence to suggest that there are significant weaknesses in arrangements. The NAO's guidance is clear that the assessment of what constitutes a significant weakness and the amount of additional audit work required to adequately respond to the risk of a significant weakness in arrangements is a matter of professional judgement.

However, the NAO states that a weakness may be said to be significant if it:

- Exposes – or could reasonably be expected to expose – the Authority to significant financial loss or risk;
- Leads to – or could reasonably be expected to lead to – significant impact on the quality or effectiveness of service or on the Authority's reputation;
- Leads to – or could reasonably be expected to lead to – unlawful actions; or
- Identifies a failure to take action to address a previously identified significant weakness, such as failure to implement or achieve planned progress on action/improvement plans.

We should also be informed by a consideration of:

- The magnitude of the issue in relation to the size of the Authority;
- Financial consequences in comparison to, for example, levels of income or expenditure, levels of reserves (where applicable), or impact on budgets or cashflow forecasts;
- The impact of the weakness on the Authority's reported performance;
- Whether the issue has been identified by the Authority's own internal arrangements and what corrective action has been taken or planned;
- Whether any legal judgements have been made including judicial review;
- Whether there has been any intervention by a regulator or Secretary of State;
- Whether the weakness could be considered significant when assessed against the nature, visibility or sensitivity of the issue;
- The impact on delivery of services to local taxpayers; and
- The length of time the Authority has had to respond to the issue.



# Value for Money

## Responding to identified risks

Where our planning work has identified a risk of significant weakness, the NAO's guidance requires us to consider what additional evidence is needed to determine whether there is a significant weakness in arrangements and undertake additional procedures as necessary, including where appropriate, challenge of management's assumptions. We are required to report our planned procedures to the audit committee.

## Reporting on VFM

In addition to the commentary on arrangements, where we are not satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, the 2020 Code has the same requirement as the 2015 Code in that we should refer to this by exception in the audit report on the financial statements.

However, a new requirement under the 2020 Code is for us to include the commentary on arrangements in a new Auditor's Annual Report. The 2020 Code states that the commentary should be clear, readily understandable and highlight any issues we wish to draw to the Authority's attention or the wider public. This should include details of any recommendations arising from the audit and follow-up of recommendations issued previously, along with our view as to whether they have been implemented satisfactorily.

## Status of our 2020/21 VFM planning

We have yet to commence our value for money planning. In drafting this plan however, we have taken into consideration the 2019/20 value for money work, our discussions with the finance team and our knowledge of sector-wide issues that may affect the Authority.

We have not identified any significant risk to date. We will update the finance team and the Overview and Audit Committee if this assessment changes during the course of the audit.



04

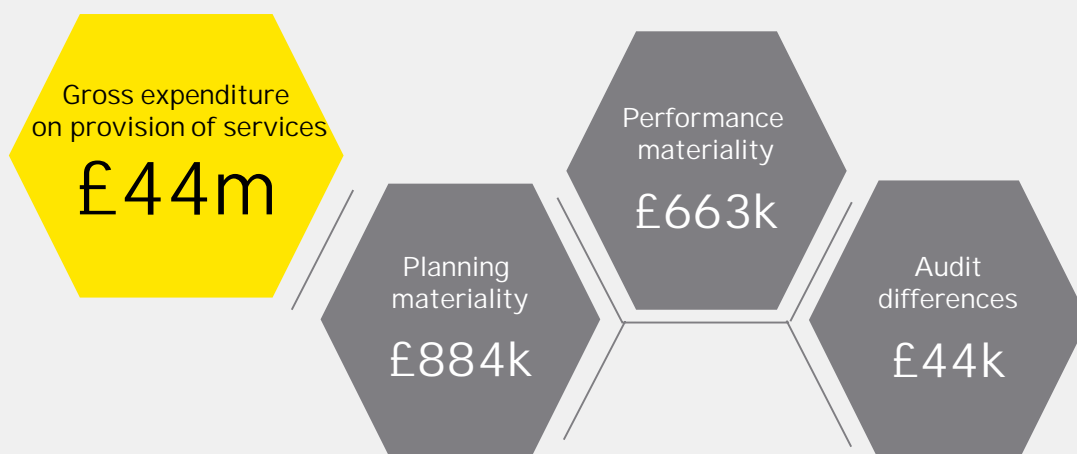
## Audit materiality



## Materiality

### Materiality

For planning purposes, materiality for 2020/21 has been set at £884k. This represents 2% of the Authority's prior year gross expenditure on provision of services and benefit's payable respectively. It will be reassessed throughout the audit process. We have provided supplemental information about audit materiality in Appendix C.



We request that the Overview and Audit Committee confirm its understanding of, and agreement to, these materiality and reporting levels.

### Key definitions

**Planning materiality** – the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

**Performance materiality** – the amount we use to determine the extent of our audit procedures. We have set performance materiality at £663k which represents 75% of materiality. We apply 75% when it is not an initial audit and we have a sound understanding of the entity and past experience with the engagement indicates that a higher risk of misstatement is unlikely.

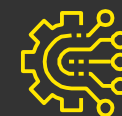
**Audit difference threshold** – we propose that misstatements identified below this threshold are deemed clearly trivial. We will report to you all uncorrected misstatements over this amount relating to the income statement and balance sheet that have an effect on income or that relate to other comprehensive income.

**Other uncorrected misstatements**, such as reclassifications and misstatements in the cashflow statement and movement in reserves statement or disclosures, and corrected misstatements will be communicated to the extent that they merit the attention of the Overview and Audit Committee, or are important from a qualitative perspective.

**Specific materiality** – We have set a materiality of £1k for remuneration disclosures, related party transactions, members' allowances and exit packages which reflects our understanding that an amount less than our materiality would influence the economic decisions of users of the financial statements in relation to this.



## 05 Scope of our audit



## Our Audit Process and Strategy

### Objective and Scope of our Audit scoping

Under the Code of Audit Practice our principal objectives are to review and report on the Authority's financial statements and arrangements for securing economy, efficiency and effectiveness in its use of resources to the extent required by the relevant legislation and the requirements of the Code.

We issue an audit report that covers:

#### 1. Financial statement audit

Our objective is to form an opinion on the financial statements under International Standards on Auditing (UK).

We also perform other procedures as required by auditing, ethical and independence standards, the Code and other regulations. We outline below the procedures we will undertake during the course of our audit.

##### Procedures required by standards

- Addressing the risk of fraud and error;
- Significant disclosures included in the financial statements;
- Entity-wide controls;
- Reading other information contained in the financial statements and reporting whether it is inconsistent with our understanding and the financial statements; and
- Auditor independence.

##### Procedures required by the Code

- Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance Statement; and
- Reviewing and reporting on the Whole of Government Accounts return, in line with the instructions issued by the NAO.

#### 2. Arrangements to secure value for money through economic, efficient and effective use of resources

We are required to consider whether the Authority has put in place arrangements to secure value for money through economic, efficient and effective use of its resources for the relevant period.

## Our Audit Process and Strategy (continued)

### Audit Process Overview

Our audit involves:

- Identifying and understanding the key processes and internal controls; and
- Substantive tests of detail of transactions and amounts.

For 2020/21 we plan to follow a substantive approach to the audit as we have concluded this is the most efficient way to obtain the level of audit assurance required to conclude that the financial statements are not materially misstated.

Analytics:

We will use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular journal entries. These tools:

- Help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests; and
- Give greater likelihood of identifying errors than random sampling techniques.

We will report the findings from our process and analytics work, including any significant weaknesses or inefficiencies identified and recommendations for improvement, to management and the Overview and Audit Committee.

Internal audit:

As in prior years, we will review internal audit plans and the results of their work. We will reflect the findings from these reports, together with reports from any other work completed in the year, in our detailed audit plan, where they raise issues that could have an impact on the financial statements.

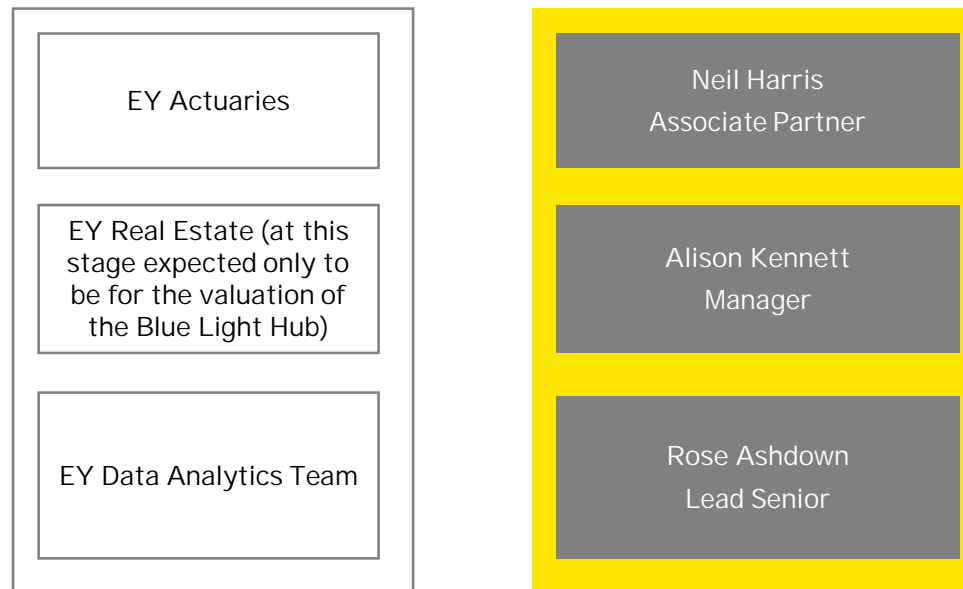


## 06 Audit team



## Audit team

### Audit team structure:



### Working together with the Authority

We are working together with officers to identify continuing improvements in communication and processes for the 2020/21 audit.

We will continue to keep our audit approach under review to streamline it where possible.

## Use of specialists

Our approach to the involvement of specialists, and the use of their work.

When auditing key judgements, we are often required to rely on the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where either EY or third party specialists provide input for the current year audit are:

Area	Specialists
Valuation of Land and Buildings	Bruton Knowles (Buckinghamshire and Milton Keynes Fire Authority's property valuer), EY Estates (EY specialist) where we believe it is appropriate to do so, which we expect it will be for the valuation of the Blue Light Hub which we have identified as a significant audit risk.
Pensions disclosure	Barnett Waddingham (Pension Funds Actuary), EY Pensions Advisory and PwC (Consulting Actuary to the National Audit Office)

In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Authority's business and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- Analyse source data and make inquiries as to the procedures used by the specialist to establish whether the source data is relevant and reliable;
- Assess the reasonableness of the assumptions and methods used;
- Consider the appropriateness of the timing of when the specialist carried out the work; and
- Assess whether the substance of the specialist's findings are properly reflected in the financial statements.



## 07 Audit timeline





## Audit timeline

### Timetable of communication and deliverables

#### Timeline

Below is a timetable showing the key stages of the audit and the deliverables we have agreed to provide to you through the audit cycle in 2020/21.

From time to time matters may arise that require immediate communication with the Overview and Audit Committee and we will discuss them with the Overview and Audit Committee Chair as appropriate. We will also provide updates on corporate governance and regulatory matters as necessary.

Audit phase	Timetable	Audit committee timetable	Deliverables
Planning: Risk assessment and setting of scopes. Walkthrough of key systems and processes Interim audit testing (Started)	March/April 2021		
Reporting of planning	June 2021	Audit & Accounts Committee	Audit Planning Report Interim audit update
Year end audit	November 2021		
Audit Completion procedures	December 2021	Audit & Accounts Committee	Audit Results Report Audit opinions and completion certificates Annual Audit Report to follow soon after the sign off



# 08 Independence



## Introduction

The FRC Ethical Standard and ISA (UK) 260 “Communication of audit matters with those charged with governance”, requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in June 2019, requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

### Required communications

Planning stage	Final stage
<ul style="list-style-type: none"> <li>▶ The principal threats, if any, to objectivity and independence identified by Ernst &amp; Young (EY) including consideration of all relationships between you, your affiliates and directors and us;</li> <li>▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review;</li> <li>▶ The overall assessment of threats and safeguards;</li> <li>▶ Information about the general policies and process within EY to maintain objectivity and independence.</li> <li>▶ Where EY has determined it is appropriate to apply more restrictive independence rules than permitted under the Ethical Standard.</li> </ul>	<ul style="list-style-type: none"> <li>▶ In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed;</li> <li>▶ Details of non-audit services provided and the fees charged in relation thereto;</li> <li>▶ Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us;</li> <li>▶ Written confirmation that all covered persons are independent;</li> <li>▶ Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy;</li> <li>▶ Details of any contingent fee arrangements for non-audit services provided by us or our network firms; and</li> <li>▶ An opportunity to discuss auditor independence issues.</li> </ul>

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We also provide information on any contingent fee arrangements, the amounts of any future services that have been contracted, and details of any written proposal to provide non-audit services that has been submitted;

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed.

## Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However we will only perform non-audit services if the service has been pre-approved in accordance with your policy.

### Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of Neil Harris, your audit engagement partner and the audit engagement team have not been compromised.

### Self interest threats

A self interest threat arises when EY has financial or other interests in the Authority. Examples include where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake permissible non-audit services and we will comply with the policies that you have approved.

None of the services are prohibited under the FRC's ES or the National Audit Office's Auditor Guidance Note 01 and the services have been approved in accordance with your policy on pre-approval. The ratio of non audit fees to audits fees is not permitted to exceed 70%.

At the time of writing, the current ratio of non-audit fees to audit fees is nil. No additional safeguards are required.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with Ethical Standard part 4.

There are no other self interest threats at the date of this report.

### Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no self review threats at the date of this report.

### Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of the Authority. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decision based on that work.

There are no management threats at the date of this report.

## Relationships, services and related threats and safeguards

### Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

There are no other threats at the date of this report.

## Other communications

### EY Transparency Report 2020

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

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year ended 30 June 2020 and can be found here:

[https://assets.ey.com/content/dam/ey-sites/ey-com/en\\_uk/about-us/transparency-report-2020/ey-uk-2020-transparency-report.pdf](https://assets.ey.com/content/dam/ey-sites/ey-com/en_uk/about-us/transparency-report-2020/ey-uk-2020-transparency-report.pdf)

## UK Independence Standards

The Financial Reporting Council (FRC) published the Revised Ethical Standard 2019 in December and it applied after 15 March 2020. The Ethical Standard has a general prohibition on the provision of non-audit services by the auditor (and its network) which applies to UK Public Interest Entities (PIEs). A narrow list of permitted services continues to be allowed. Note that currently the Authority does not currently fall under the definition of a PIE.

### Summary of key points

- Extraterritorial application of the FRC Ethical Standard to UK PIE and its worldwide affiliates
- A general prohibition on the provision of non-audit services by the auditor (or its network) to a UK PIE, its UK parent and worldwide subsidiaries
- A narrow list of permitted services where closely related to the audit and/or required by law or regulation
- Absolute prohibition on the following relationships applicable to UK PIE and its affiliates including material significant investees/investors:
  - Tax advocacy services
  - Remuneration advisory services
  - Internal audit services
  - Secondment/loan staff arrangements
- An absolute prohibition on contingent fees.
- Requirement to meet the higher standard for business relationships i.e. business relationships between the audit firm and the audit client will only be permitted if it is inconsequential.
- Permitted services required by law or regulation will not be subject to the 70% fee cap.
- Grandfathering was applied for otherwise prohibited non-audit services that were open at 15 March 2020 such that the engagement may continue until completed in accordance with the original engagement terms.
- A requirement for the auditor to notify the Audit and Governance Committee where the audit fee might compromise perceived independence and the appropriate safeguards.
- A requirement to report to the Audit and Governance Committee details of any breaches of the Ethical Standard and any actions taken by the firm to address any threats to independence. A requirement for non-network component firm whose work is used in the group audit engagement to comply with the same independence standard as the group auditor.

### Next Steps

We will continue to monitor and assess all ongoing and proposed non-audit services and relationships to ensure they are permitted under FRC Revised Ethical Standard 2019.

We do not currently provide any non-audit services which would be prohibited under the new standard.



## 09 Appendices



## Appendix A

### Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

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

	Planned fee 2020/21	Final Fee 2019/20
	£	£
Total Fee – Code work	24,162	24,162
Proposed increase to the scale fee due to changes in work required to address professional and regulatory requirements and scope associated with risk (Note 1)	22,196	22,196
Scale fee variation – Covid-19 and Going Concern considerations, addressing significant risk on PPE valuation and VFM conclusion (Note 2)	TBC	5,324
<b>Total fees</b>	<b>TBC</b>	<b>51,682</b>

Notes:

1. We remain in discussion with PSAA about increasing the scale fee to reflect the additional work auditors are required to do to meet regulatory requirements.
2. The 2019/20 additional fees have been discussed with management, who have challenged the level of fees, and therefore it has been referred to PSAA for consideration.

All fees exclude VAT

The agreed fee presented is based on the following assumptions:

- Officers meeting the agreed timetable of deliverables;
- Our accounts opinion and value for money conclusion being unqualified;
- Appropriate quality of documentation is provided by the Authority; and
- The Authority has an effective control environment.




If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Authority in advance.

∞ Fees for the auditor's consideration of correspondence from the public and formal objections will be charged in addition to the scale fee.




## Appendix B

# Required communications with the Audit Committee




We have detailed the communications that we must provide to the Overview and Audit Committee.

		 Our Reporting to you
Required communications	 What is reported?	 When and where
Terms of engagement	Confirmation by the Overview and Audit Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.	Audit planning report – June 2021
Significant findings from the audit	<ul style="list-style-type: none"> <li>• Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures</li> <li>• Significant difficulties, if any, encountered during the audit</li> <li>• Significant matters, if any, arising from the audit that were discussed with management</li> <li>• Written representations that we are seeking</li> <li>• Expected modifications to the audit report</li> <li>• Other matters if any, significant to the oversight of the financial reporting process</li> </ul>	Audit results report – December 2021

## Required communications with the Audit Committee (continued)




		 Our Reporting to you
Required communications	 What is reported?	 When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> <li>• Whether the events or conditions constitute a material uncertainty</li> <li>• Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements</li> <li>• The adequacy of related disclosures in the financial statements</li> </ul>	Audit results report – December 2021
Misstatements	<ul style="list-style-type: none"> <li>• Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation</li> <li>• The effect of uncorrected misstatements related to prior periods</li> <li>• A request that any uncorrected misstatement be corrected</li> <li>• Corrected misstatements that are significant</li> <li>• Material misstatements corrected by management</li> </ul>	Audit results report – December 2021
Fraud	<ul style="list-style-type: none"> <li>• Enquiries of the Overview and Audit Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity</li> <li>• Any fraud that we have identified or information we have obtained that indicates that a fraud may exist</li> <li>• A discussion of any other matters related to fraud</li> </ul>	Audit results report – December 2021
Related parties	<ul style="list-style-type: none"> <li>• Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</li> <li>• Non-disclosure by management</li> <li>• Inappropriate authorisation and approval of transactions</li> <li>• Disagreement over disclosures</li> <li>• Non-compliance with laws and regulations</li> <li>• Difficulty in identifying the party that ultimately controls the entity</li> </ul>	Audit results report – December 2021

## Required communications with the Audit Committee (continued)

		 Our Reporting to you
Required communications	 What is reported?	 When and where
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> <li>• The principal threats</li> <li>• Safeguards adopted and their effectiveness</li> <li>• An overall assessment of threats and safeguards</li> <li>• Information about the general policies and process within the firm to maintain objectivity and independence</li> </ul>	<p>Audit planning report – June 2021</p> <p>Audit results report – December 2021</p>
External confirmations	<ul style="list-style-type: none"> <li>• Management's refusal for us to request confirmations</li> <li>• Inability to obtain relevant and reliable audit evidence from other procedures</li> </ul>	Audit results report – December 2021
Consideration of laws and regulations	<ul style="list-style-type: none"> <li>• Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off</li> <li>• Enquiry of the Overview and Audit Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Overview and Audit Committee may be aware of</li> </ul>	Audit results report – December 2021
Internal controls	<ul style="list-style-type: none"> <li>• Significant deficiencies in internal controls identified during the audit</li> </ul>	Audit results report – December 2021

## Appendix B

# Required communications with the Audit Committee (continued)

		 Our Reporting to you
Required communications	 What is reported?	 When and where
Representations	Written representations we are requesting from management and/or those charged with governance	Audit results report – December 2021
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit results report – December 2021
Auditors report	<ul style="list-style-type: none"> <li>Any circumstances identified that affect the form and content of our auditor's report</li> </ul>	Audit results report – December 2021
Fee Reporting	<ul style="list-style-type: none"> <li>Breakdown of fee information when the audit plan is agreed</li> <li>Breakdown of fee information at the completion of the audit</li> <li>Any non-audit work</li> </ul>	Audit planning report – June 2021 Audit results report – December 2021

## Additional audit information

### Other required procedures during the course of the audit

In addition to the key areas of audit focus outlined in section 2, we have to perform other procedures as required by auditing, ethical and independence standards and other regulations. We outline the procedures below that we will undertake during the course of our audit.

#### Our responsibilities required by auditing standards

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Authority to express an opinion on the consolidated financial statements. Reading other information contained in the financial statements, the Overview and Audit Committee reporting appropriately addresses matters communicated by us to the Overview and Audit Committee and reporting whether it is materially inconsistent with our understanding and the financial statements; and
- Maintaining auditor independence.

## Additional audit information (continued)

### Purpose and evaluation of materiality

For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.

Materiality determines:

- The locations at which we conduct audit procedures to support the opinion given on the financial statements; and
- The level of work performed on individual account balances and financial statement disclosures.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.



# Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Overview and Audit Committee, 21 July 2021

**Report title:** Treasury Management Performance 2020/21

**Lead Member:** Councillor David Hopkins

**Report sponsor:** Mark Hemming, Director of Finance & Assets

**Author and contact:** Marcus Hussey [mhussey@bucksfire.gov.uk](mailto:mhussey@bucksfire.gov.uk)

**Action:** Noting.

**Recommendations:** That the Treasury Management Performance 2020/21 report be noted.

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## Executive summary:

This report is being presented to provide the treasury investment position as at the end of 2020/21. It is best practice to review on a regular basis how Treasury Management activity is performing.

The accrued interest earned for 2020/21 year is £113k, which is £37k lower than the budget for the period.

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## Financial implications:

The budget for 2020/21 relating to interest earned on balances invested is £150k. 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/2020/03/130219\\_fire\\_authority\\_agenda.pdf/](https://bucksfire.gov.uk/documents/2020/03/130219_fire_authority_agenda.pdf/)

Appendix	Title	Protective Marking
1	Treasury Management Performance 2020/21	

## Appendix 1 – Treasury Management Performance 2020/21

### Background

Up until 31 March 2013, the Authority's cash balances were managed by Buckinghamshire Council (BC) 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 £1.269m between 2013/14 and 2020/21. This is in comparison to the returns of £0.539m the Authority would have earned through BC and the SLA for the same period.

This report highlights the performance to date of the in-house treasury management function for 2020/21. It is worth noting that the interest receivable from BC under the SLA on the 2020/21 average balance of £13m would have been -£9k using the 7-day LIBID rates.

### 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). The amount invested with each counterparty on the approved lending list as at 31 March 2021 is detailed below:

Counterparty	Amount (£000)
Lloyds Bank	3,500
Close Brothers	3,000
Newcastle Building Society	2,000
Santander	2,000
CCLA Money Market Fund	1,001
Aberdeen Money Market Fund	501
Lloyds Bank (Current Accounts)	2,082
<b>Total</b>	<b>14,084</b>

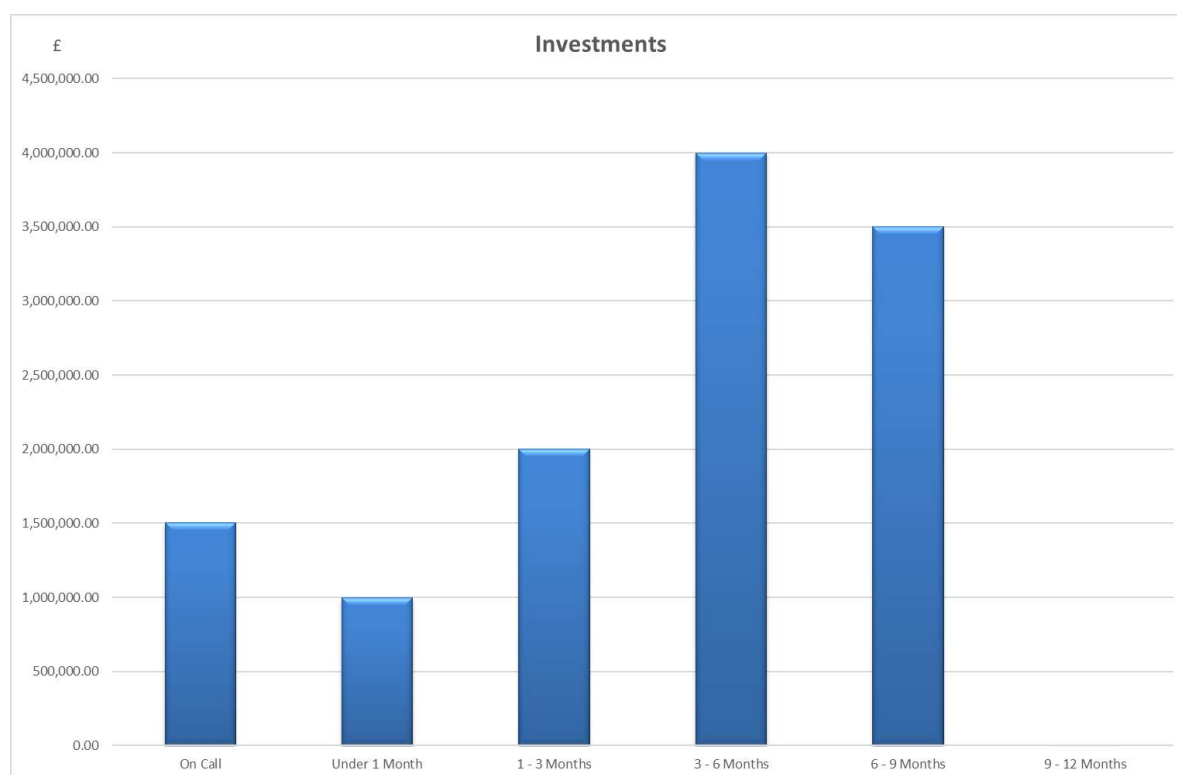
During this period, no counterparty limits were breached.

In its AIS the Authority also resolved that all credit ratings will be monitored weekly, by means of the Link creditworthiness service. During quarter 4 Link made no relevant changes to the counterparty listing.

## Liquidity

### Investments

The second objective set out within the Treasury Management Policy Statement is the liquidity of investments (i.e. keeping the money readily available for expenditure when needed). Investments have been placed at a range of maturities, including having money on-call in order to maintain adequate liquidity. The current investment allocation by remaining duration can be seen on the chart below:

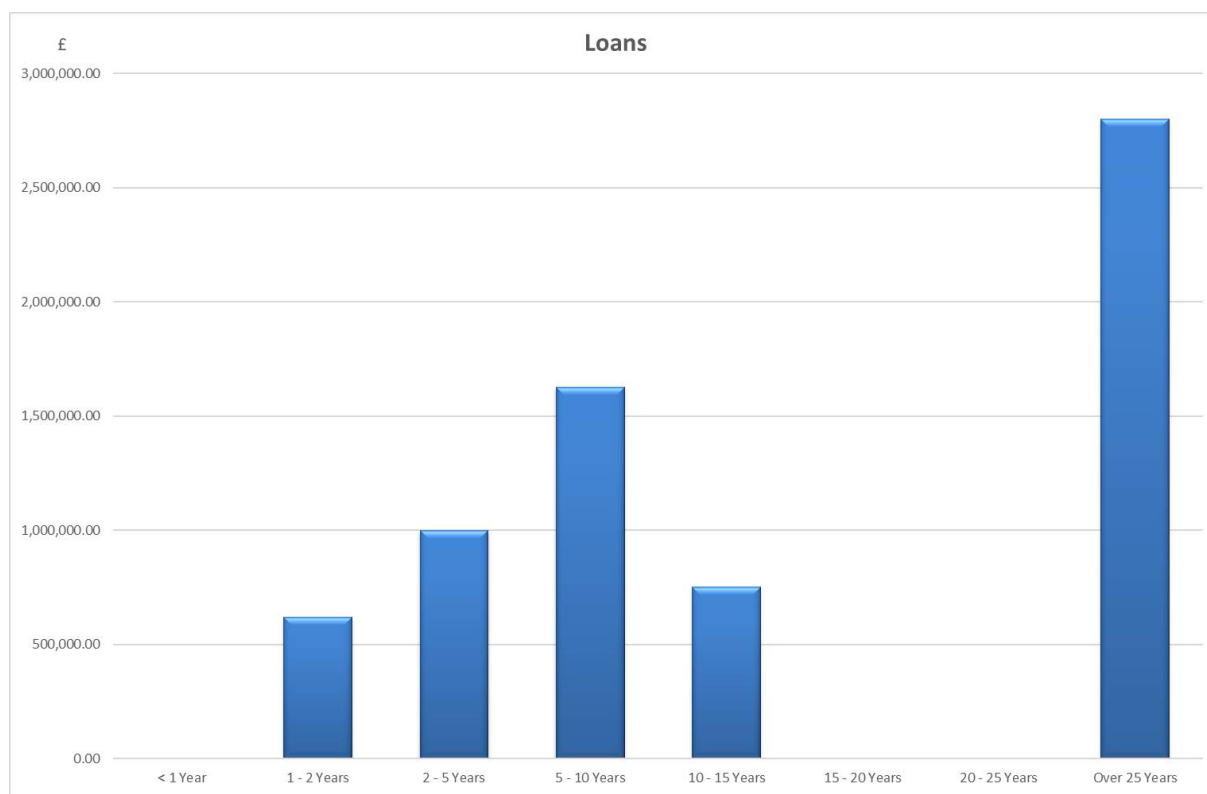


In order to cover expenditure such as salaries, pensions, creditor payments, and potential liabilities for which the Authority have made provisions within the Statement of Accounts, the balances are invested as short fixed-term deposits.

There are five investments currently falling in the 1-3 and 3-6 month periods. These mature one each month for the next five months and were all originally invested for different terms and will be re-invested for varying terms upon maturity in order 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. By investing collectively, the Authority benefits from liquidity contributed by others and from the knowledge they are all unlikely to need to call on that money at the same time.

## Borrowing

As part of managing the liquidity of investments, it is important to have regard to the maturity structure of outstanding borrowing. This can be seen in the following chart:



The total borrowing outstanding as at 31 March 2021 is £6.797m. No further debt repayment is due until May 2022. 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. At the Fire Authority meeting in February 2020, the Authority approved an increase in the Authorised Limit by £2m with immediate effect in-case short-term borrowing is required to effectively manage cashflow. This additional borrowing headroom was not utilised, primarily due to the timing of the receipt of £2m from South Central Ambulance Service for their contribution towards the Blue Light Hub.

## **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

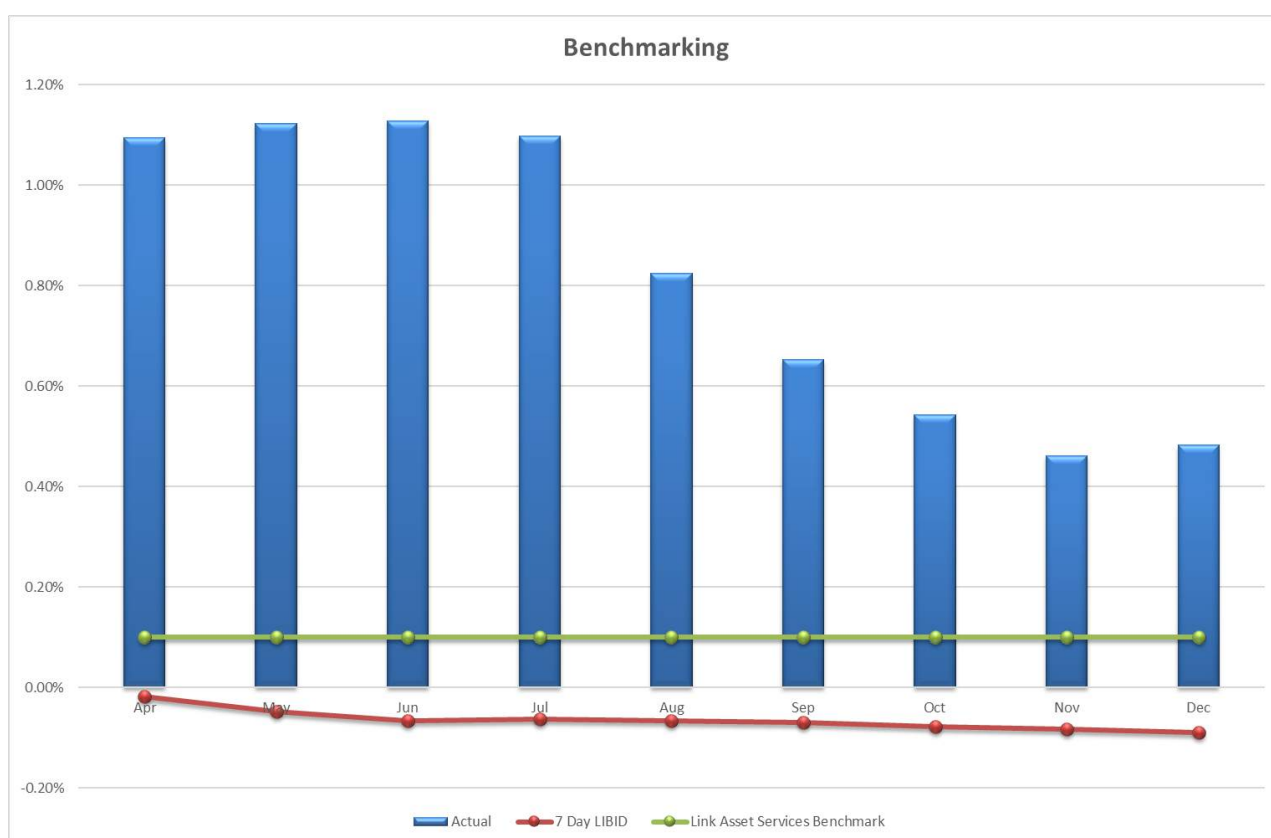
The budget for future years was reviewed as part of the Medium-Term Financial Plan process and the income target for 2020/21 is £150k. This has not increased for 2020/21 due to the continuing spend on the Blue Light Hub at West Ashlands, Milton Keynes. It is expected that there will be less funds available for investments, hence the potential to realise greater interest is diminished. The accrued interest earned as at 31 March 2021 is £113k against the planned budget of £150k for the year, this is an under achievement of £37k. It should be noted that £13k of this is due to the

interest achieved from making an advance payment in respect of the Employers contribution to the LGPS.

### Performance Against the Benchmark

The relative performance of the investments is measured against two benchmark figures:

- 7 day LIBID – this is the rate the Authority would have earned on all balances had the SLA with BCC continued into future years
- Link benchmark – this is the indicative rate that Link advised the Authority should be looking to achieve for 2020/21 at the start of the year
- The weighted average rate (%) is compared to the two benchmark figures in the following chart for each month:



The Authority has out-performed both benchmark figures throughout the financial year. This is predominantly due to the Authority investing for longer durations with Local Authorities and other counterparties in the previous year.

It must also be noted that the level of funds available for investment have reduced as a result of the reduction in reserves. 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.

The coronavirus pandemic has had a significant impact on the global economic landscape. As a result, In March 2020, the Bank of England have made 2 unprecedented emergency interest rate cuts bringing the base rate to a record low of 0.10%. It is also having a major impact on the money markets and the world economy in general, which will take a considerable time to recover. The direct impact

on the Authority will be a reduction in interest rates on current accounts, money market funds and investments. The Authority has not met the annual budget requirement for 2020/21 and this is a direct impact of the unprecedentedly low interest rates due to the coronavirus pandemic. This will certainly continue into next financial year, therefore, the budget for 2021/22 has been revised to £30k and this was approved at the Fire Authority in February 2021.

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# Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Overview and Audit Committee, 21 July 2021

**Report title:** Annual Governance Statement 2020/21

**Lead Member:** Chairman of the Overview and Audit Committee

**Report sponsor:** Graham Britten, Director of Legal and Governance  
Mark Hemming, Director of Finance and Assets

**Author and contact:** Graham Britten, [gbritten@bucksfire.gov.uk](mailto:gbritten@bucksfire.gov.uk)

**Action:** Decision

**Recommendations:**

1. That the Annual Governance Statement 2020/21 be approved.
2. That the progress on the implementation of recommendations of the previous Annual Governance Statement (Appendix A to the Annual Governance Statement) be noted.
3. That the priorities for 2021/22 (Appendix B to the Annual Governance Statement) be agreed.

---

**Executive summary:**

The purpose of this report is to present the 2020/21 Annual Governance Statement (appended as Appendices to the report) for approval. It contains the progress on the implementation of the recommendations of the 2020/21 Annual Governance Statement and recommendations for 2021/2022.

CIPFA (Chartered Institute of Public Finance and Accountancy) and SOLACE (Society of Local Authority Chief Executives and Senior Managers) published a revised framework document on governance: Delivering Good Governance in Local Government Framework 2016 (2016 Guidance). This was a significantly revised version of the previous 2012 guidance. The new framework is taken from the International Framework: Good Governance in the Public Sector (CIPFA/International Federation of Accountants 2014).

The framework envisages that delivering good governance will be a continuous process of seven principles with a core of principles A and B permeating principles C to G.

The Annual Governance Statement 2020/21 has been formatted to reflect those principles.

The seven principles are:

Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

Principle B - Ensuring openness and comprehensive stakeholder engagement.

Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits.

Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes.

Principle E - Developing the Authority's capacity, including the capability of its leadership and the individuals within it.

Principle F - Managing risks and performance through robust internal control and strong public financial management.

Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

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**Financial implications:** There are no direct financial implications arising from the report. The proposed areas for improvement can be accommodated within existing budgets.

**Risk management:** One of the principles of the CIPFA/SOLACE framework is the management of risk through robust internal control and strong public financial management. The Annual Governance Statement details the management arrangements in place, as well as highlighting recent improvements and plans for future areas of development.

**Legal implications:** Regulations 6(1)(b) and 6(4)(b) of the Accounts and Audit Regulations 2015 require the Committee to approve an annual governance statement which must accompany the statement of accounts and be approved in advance of the approval of the statement of accounts.

While the 2016 Guidance is the product of CIPFA and SOLACE, it amounts to statutory guidance as Regulation 6(4)(b) of the Accounts and Audit Regulations 2015 requires the Annual Governance Statement to be prepared in accordance with proper practices in relation to accounts.

**Privacy and security implications:** There are no privacy issues or security implications that need to be considered and assessed.

**Duty to collaborate:** No direct impact. Each public body is required to approve its own Annual Governance Statement.

**Health and safety implications:**

There are no direct health and safety implications arising from the report.

**Environmental implications:** Following a review undertaken by CIPFA and SOLACE, in 2016, the 'Delivering Good Governance in Local Government: Framework' was reissued. The document was based on the 'International Framework: Good Governance in the Public Sector (2014)' which included sustainable economic, societal and environmental outcomes as a key focus for governance processes and structure. CIPFA/SOLACE therefore revised its 6 principles to create 7 new principles which included specifically 'Defining outcomes in terms of sustainable economic, social, and environmental benefits'.

**Equality, diversity, and inclusion implications:**

There are no direct equality and diversity implications arising from this report.

**Consultation and communication:**

The officers with responsibility for functions across Buckinghamshire Fire & Rescue Service have been responsible for supplying the information and responses necessary to compile the Annual Governance Statement.

The draft Annual Governance Statement was considered at the Performance Monitoring Board on 10 June 2021 for recommendation to the Chief Fire Officer at the Strategic Management Board on 22 June 2021.

**Progress monitoring**

Progress against the areas identified to be addressed in 2021/22 will be monitored through the internal boards and the Overview and Audit Committee.

**Background papers:**

CIPFA / SOLACE 'Delivering Good Governance in Local Government - Guidance Notes for English Authorities' 2016 Edition, copyrighted document is accessible by this [link](#)

Appendix	Title	Protective Marking
1	Annual Governance Statement 2020/21.	
1A	Progress against recommendations from the Annual Governance Statement 2019/20.	
1B	Recommendations for Priorities for 2021/22.	

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## **Appendix 1**

### **Annual Governance Statement 2020/21**

#### **Scope of Responsibility**

Buckinghamshire & Milton Keynes Fire Authority ('the Authority') is responsible for maintaining a sound system of internal control that supports the achievement of its policies, aims and objectives whilst safeguarding the public funds and organisational assets. There is also a responsibility for ensuring that the Authority is administered prudently and economically and that resources are applied efficiently and effectively, which includes arrangements for the management of risk.

This statement explains how the Authority has complied with the principles of the CIPFA/SOLACE 'Delivering Good Governance in Local Government Framework' (2016 Edition) and also meets the requirements of regulation 6(1) of the Accounts and Audit Regulations 2015 in relation to the review of its systems of internal control and the publication of an annual statement on its governance.

Under the Accounts and Audit Regulations 2015 the Authority must ensure that it has a sound system of internal control which—

- (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
- (b) ensures that the financial and operational management of the Authority is effective; and
- (c) includes effective arrangements for the management of risk.

#### **The Purpose of the Governance Framework**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievements of the strategic objectives of the Authority, to evaluate the likelihood of those risks being realised and the impact should they occur, and to manage them efficiently, effectively, and economically. The system of internal control has been in place for the year ended 31 March 2021 and up to the date of approval of the Statement of Accounts.

## **The Governance Framework**

The governance measures in place reflect the seven principles of good governance set out in the CIPFA/SOLACE 'Delivering Good Governance in Local Government: Framework (2016)'.

## **The Covid-19 pandemic and adaptations to the Authority's governance arrangements**

Mindful of the [Prime Minister's statement on 23 March 2020](#) Executive Committee Members were unable to physically attend the Executive Committee meeting on 25 March 2020 to make it quorate (the only Authority meeting that did not convene during any periods during 2020/21).

One of the appointing authorities, Buckinghamshire County Council, was dissolved on 1 April 2020 as a result of the government mandated move from a two tier (County and District Council) model to a unitary one.

Also, elections to the new council were postponed from May 2020 to May 2021. However, [The Local Government \(Coronavirus\) \(Structural Changes\) \(Consequential Amendments\) \(England\) Regulations 2020](#) made special provision for Buckinghamshire Council so that, although the elections to it were postponed, the shadow executive could continue as the executive of the new council of c.200 members.

As a result, at its meeting on 30 April 2020, the Executive of the new Buckinghamshire Council appointed six brand new Members and one returning Member onto the Authority – a turnover of one third of the Authority's membership. This presented officers with a new member induction challenge given constraints on travel and physical meetings.

The introduction of [the Local Authorities and Police and Crime Panels \(Coronavirus\) \(Flexibility of Local Authority and Police and Crime Panel Meetings\) \(England and Wales\) Regulations 2020](#), which came into effect from 4 April 2020, enabled local authorities to convene quorate meetings and facilitate public access via means other than physical attendance. This was something that the Authority was not equipped to do at that point.

Officers quickly utilised virtual meeting technology to deliver an initial induction briefing for new Authority Members on 1 June 2020. This ensured that they were adequately prepared ahead of the Authority's annual meeting on 10 June 2020.

Interim arrangements were then rapidly made with Buckinghamshire Council to facilitate virtual public access to the 10 June 2020 annual meeting and subsequent [Executive Committee](#) and [Overview and Audit Committee](#) meetings held in July, using tried and tested technology that Buckinghamshire Council already had in place.

A permanent, 'in-house', solution was subsequently introduced, enabled by Government Covid grant funding, to ensure continuity of virtual access to future Authority and Committee meetings for members, officers, and the public. As a result of these measures, a full programme of scheduled Authority meetings was maintained with minimal disruption to the Authority's normal functioning.

A mix of virtual and socially distanced arrangements ensured continuity of officers' internal meetings. In particular, its board structure (consisting of the Strategic Management, Business Transformation, and Performance Monitoring Boards) enabled the flow of business through to the Authority as well as enabling Service decision-making under delegated powers.

### **Covid-19 pandemic and changes to governance priorities and programmes**

As will be seen in Appendix A, some areas were reprioritised due to the effects of 'lockdown' and its consequential working from home arrangements.

Coronavirus was added to our Corporate Risk Register on 30 January 2020 as a potential risk to staff availability. The risk of resurgence of Covid-19 and / or seasonal influenza in Autumn / Winter 2020 was added to the risk register as a discrete risk in its own right on 11 June 2020. The Corporate Risk Register is a standing item on the Overview and Audit Committee's agenda, presenting officers with an opportunity to brief Members on BFRS' response to the pandemic and for Members to scrutinise and ask questions about this.

In addition:

- the Chief Fire Officer scheduled fortnightly meetings with the leaders of the political parties represented on the Authority to give updates on Covid as well as financial and other related matters and, also, has diarised weekly 'catch-ups' with the Fire Authority Chairman to keep her informed of developments given the fast-evolving situation with Covid; and,
- the Chairman was the Authority's representative on the Thames Valley Fire Control Service Joint Committee (together with a Lead Member) – which would often consider broader resilience issues in the meetings. There were also Joint Committee workshops and briefings in relation to specific issues.
- within this Annual Governance Statement (under Core Principle B) is set out how Buckinghamshire Fire and Rescue Service undertook activities beyond the Authority's statutory duties to support other local blue light services and other public service providers that were experiencing high levels of demand, and to offer other support to its communities.

***Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.***

**Members' Code of Conduct and Register of Interests.** A local [Code of Conduct](#) for all Members has been agreed by the Authority and a Register of disclosable pecuniary interests for each Member is reviewed annually and [published on the Authority's website](#). To ensure legal compliance and to avoid a conflict of interest arising, there is a panel of four "Independent Persons" appointed by the Authority in December 2020 until 30 September 2024 for the purposes of assisting both an individual Member and the Authority itself in the event of an allegation being made that a member has breached the Authority's Code of Conduct.

In 2020 an audit was undertaken by officers to compare the Authority's procedures against the 15 best practice recommendations contained in the [Review by the Committee on Standards in Public Life - Local Government Ethical Standards](#) ('the CSPL Report'). The CSPL Report published January 2019 "represent a benchmark for ethical practice, and which we expect any local authority to implement."

The findings of the audit were considered by the Overview and Audit Committee on 11 November 2020 which made recommendations to the Authority at its meeting on 9 December 2020. In light of those recommendations the [complaints procedure](#) was revised and updated to reflect the recommendations in the CSPL Report.

**Member Officer Protocol.** [The Protocol on Member and Officer Relations](#) sets out the respective obligations and expectations and contains a reminder of the Authority's core values. This was subject to a quadrennial review and approved by the Overview and Audit Committee at its meeting on 17 July 2019 for recommendation to the Authority whereupon it was adopted on 18 September 2019.

**Leadership.** There are nominated [Lead Members](#) for various work streams and departments. This collaborative approach ensures levels of trust, confidence and awareness improve for the benefit of the public and the service.

**Ethical Framework.** The Authority's objective is to embed Equality, Diversity and Inclusion (EDI) into everything it does, both internally and externally. The EDI objectives are set out and published against the Authority's core values: Diversity; Service to the Community; Improvement and People. The Authority has published its EDI [Policy Statement](#) and [Vision and Values Policy](#).

**Code of Conduct for Staff.** The Code provides individuals with an understanding of the standards expected when performing duties as an employee and guides behaviour, placing an obligation on all employees to take responsibility for their own conduct.

**Register of Gifts and Hospitality.** In accordance with the Code of Conduct, staff are required to register offers and acceptances of gifts or hospitality in the [Register](#), summaries of the entries are publicly available.

**Whistleblowing Policy.** A procedure is in place and published for employees or contractors to raise concerns about a dangerous or illegal activity that they are aware of through their work.

**Complaints process.** The [procedure](#) is published explaining how complaints from the public will be handled and investigated. All concerns and complaints are treated seriously, and people asked what resolution they are seeking. We keep them up to date with progress and check that they are satisfied when the issue is resolved. We take any learning from the investigation and incorporate it in our processes. We are a learning organisation.

**Counter-Fraud and Corruption Policy.** The Authority has a zero tolerance approach to fraud, bribery and corruption, whether it is attempted from inside or outside the organisation. A copy of the policy is available on our [website](#).

**Statutory Officers.** The Monitoring Officer provides advice on the scope of the powers and responsibilities of the Authority and has a statutory duty to ensure lawfulness and fairness of decision making and also to receive allegations of breaches of the Code of Conduct by Authority Members. The Director of Legal & Governance acts as the Authority's Monitoring Officer and is governed by the professional standards set by the Solicitors' Regulation Authority.

The Authority's Data Protection Officer (DPO) operates independently and without instruction from the Authority or the Strategic Management Board over the way the DPO carries out tasks and is free from any conflicts of interest. The DPO is consulted on any privacy issues before papers are submitted to the Chief Finance Officer and Monitoring Officer and attends formal SMB meetings to advise of progress and issues affecting privacy and transparency.

The Chief Finance Officer and Monitoring Officer are both members of the Strategic Management Board (SMB), helping to develop and implement strategy and to resource and deliver the Authority's strategic objectives.

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***Core Principle B: Ensuring openness and comprehensive stakeholder engagement.***

**The Public Safety Plan 2020-25.** This is the Authority's Integrated Risk Management Plan that sets out future improvements to the services provided by the Authority to the community within the constraints that it faces whilst managing risk. The community was consulted and encouraged to engage in debating the issues and priorities set out in the plan, allowing the public to hold the Authority accountable for its decisions and actions in an open and transparent manner.

A fundamental element of the [Public Safety Plan 2020-25](#) is ensuring service delivery is linked closely to local requirements. A service delivery directorate plan covers the Milton Keynes and Buckinghamshire Area, supported by individual Station Plans. Operational staff work within the same teams as their protection and prevention colleagues leading to a more joined up approach.

The Public Safety Plan 2020-25 was approved by the Authority on 12 February 2020 following the outcomes of a [public consultation](#) which took place between 23 September and 18 November 2019. This plan superseded the previous 2015-2020 plan and took effect from April 2020.

**Public engagement.** As stated above (Core Principle A) our complaints [procedure](#) is published explaining how complaints from the public will be handled and investigated. To encourage communications with us, our privacy statement aims to reassure people how we will protect their privacy. It explains their rights to personal information we hold about them and how to access this. We have a [Subject Access Request](#) form on our website which people may choose to use to contact us although they may contact us in other ways if they prefer. Due to **Covid-19** access to stations by community groups and the general public was suspended or restricted. Station community safety activity and other public engagement sessions, such as: school visits, road safety activities, youth and other group activities, and open days were suspended. However, the guidance issued by the National Fire Chiefs Council (NFCC), detailing how prevention activities could be continued during the COVID-19 pandemic, was understandably adopted by the Service. This meant, despite the introduction of national coronavirus restrictions, the Service was still able to undertake fire and wellness visits, primarily targeting those at risk from arson or had been referred through health and social care, as being at increased risk from fire. In response to each high-risk referral the Service

instigated a triage system, which involved speaking to the person on the telephone, in order to identify the particular level of risk. Where necessary this led to a face-to-face fire and wellness visits being undertaken, for which staff were provided with appropriate Personal Protective Equipment. Engagement with the business community was rechannelled through articles placed on the BFRS website, through social media posts, and through mail-shots to specific premises types such as educational establishments and care homes.

**Engagement with partners.** The Authority fulfils its role as a statutory community safety partner on the Safer Buckinghamshire Partnership Board; the Safer MK Partnership and as a specified partner on the Buckinghamshire Serious Violence Task Force. The Service also has representation on the MK Together Management Board; Bucks Anti-slavery & Exploitation Network and the Strategic MARAC (Multi-Agency Risk Assessment Conference). Service personnel are also engaged and involved in a number of Community Boards, practitioner groups and fora where appropriate, ensuring public engagement and safety initiatives are focussed, effective and measured, whilst working with partner organisations with similar goals and objectives.

Due to **Covid-19**, in an approach agreed with our partner fire and rescue authorities across the Thames Valley, some aspects of our service delivery were altered, for example: We adopted a risk-based approach to protection activities. This meant limiting our access to some non-residential premises where there may be potential risk to the occupancy. However operational crews and protection staff were asked to avoid visiting hospitals, care homes and nursing homes without express permission (a specific request).

In August 2020, HMICFRS was commissioned by the Home Secretary to inspect how fire and rescue services in England were responding to the Covid-19 pandemic. This [letter from HMI Matt Parr to Buckinghamshire Fire and Rescue Service](#) sets out its assessment of the effectiveness of the service's response to the pandemic which included fire and rescue staff including firefighters carrying out extra roles beyond their core duties.

**Authority meetings.** The [meetings](#) of the Authority and its committee meetings are accessible to the public and the dates are published on the website as are the agendas and committee papers, minutes and decisions for those meetings and those of the [Thames Valley Fire Control Service Joint Committee](#) to which the Authority appoints two Members.

**Internal Boards.** To improve the effectiveness and transparency of decision making within the Authority there are internal, officer 'boards' aligned to the Authority committee structure. These comprise:

- A Strategic Management Board, which focuses on strategic direction, strategic risk and acts as a gateway to the Authority;
- A Performance Monitoring Board which focuses on in year performance against agreed performance indicators and budgets;
- A Business Transformation Board which focuses on strategic change and project portfolio management.

During the year, the membership and Terms of Reference of the boards were reviewed and refreshed to align with changes to the Service's management structure and improved controls for the management of our project control framework, including the creation of a 'Portfolio Management Office'. The updated arrangements took effect from 1 January 2021.

**The Joint Consultation Forum.** The objective of the Joint Consultation Forum is to continuously improve organisational performance by developing greater trust and increased job satisfaction through employee engagement. Its membership comprises a senior management representative, the Head of HR, the HR Advisory and Development Manager and up to two representatives from each of the recognised Representative Bodies namely Fire Brigades Union, Fire Officers' Association, and UNISON. The Forum facilitates joint examination and discussion of issues of mutual interest with the aim of seeking acceptable solutions to problems through a genuine exchange of views and information. Consultation does not remove the right of managers to manage – they must still make the final decision – but it does require that the views of employees will be sought and considered before significant decisions are taken.

***Core Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits.***

**Authority Corporate Plan.** The 2020-25 Corporate Plan sets out how the Authority intends to equip and develop the Service and its people to meet the challenges that we face over the next five years, in particular the need to:

- develop the Service to address the strategic context and priorities set out in our 2020-25 Public Safety Plan;
- address the 'Areas for Improvement' identified by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) in their report on the findings from their first inspection of the Service undertaken in 2019.

The new plan became effective following approval by the Authority at its 10 June 2020 meeting, succeeding the previous [2015-20 Corporate Plan](#). In the last quarter of the 2020/21 financial year, a review and refresh of the Corporate Plan was undertaken in order to address the impact of the Covid-19 pandemic on the timing and scope of the projects and workstreams specified within the plan. The updated plan will be submitted to the Authority for approval at its 16 June 2021 meeting.

**Partnership Register.** The Authority has identified and recorded all partnership arrangements. All partnerships are the subject of formal agreements ensuring that these articulate their legal status; respective liabilities and obligations; governance and audit; dispute resolutions and exit provisions. A review of partnership arrangements is undertaken regularly and reported to the Executive Committee in order to provide assurance on risks associated with delivering services through third parties. Other key services provided through third parties are overseen by specific governance arrangements, namely:

- The Thames Valley Fire Control Service (hosted by Royal Berkshire Fire and Rescue Service) is overseen by a joint committee with Member representatives appointed by the three participating fire and rescue services, supported by Officers from the three services.
- The Authority is represented at Officer and Member level on the three levels of decision-making bodies of the [Thames Valley Emergency Services Collaboration Programme](#).

- Firefighters Pension Administration is overseen by the Local Pension Board. The administrators (West Yorkshire Pension Fund) attend the Board on a quarterly basis to discuss emerging risks, issues and performance against key performance indicators. An annual report from the Local Pension Board is received by the Overview & Audit Committee and pensions issues are flagged in the corporate risk register which is regularly reviewed by the Overview & Audit Committee.

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***Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.***

**Performance Management Framework.** The Authority undertook a review of its performance and development processes with the aim of refreshing the appraisal process, ensuring it was fit for purpose and delivering effective performance reviews for all staff. The pilot revised process was launched in June 2020 and 2020/21 treated as a transitional year between the old and new process to allow time for training of staff and feedback to be sought ready to fully embed the process for 2021. All employees are required to have an annual appraisal, where their commitment to their behaviours linked to the Authority's values is an essential element. Quality assurance of appraisal returns is undertaken to identify themes, and to assist with training requirements. Performance Management and the revised process is to be included as part of the learning outcomes of the middle manager leadership programme. This forms part of the proposed Leadership and Management Development Framework and will support and assist with the development of existing and newly recruited or promoted managers.

**Medium Term Financial Plan.** This is approved annually by the Authority and sets out the resources needed to deliver services.

**Financial Strategy 2020-21 to 24-25** The financial strategy is the link between the organisation's long-term service objectives and its financial capacity. The long-term service objectives for the Authority are set out in the Public Safety Plan and Corporate Plan.

**Capital Strategy** The strategy outlines the Authority's approach to capital investment ensuring it is in line with its corporate priorities and objectives set out in the Public Safety Plan. It provides a strategic overview of how capital expenditure; capital financing and treasury management activity contribute to the delivery of outcomes, as well as overview of the management of risk and future financial sustainability.

**Corporate Risk Register** This identifies controls to mitigate identified risks and is monitored on an on-going basis with reporting to every Strategic Management Board and to the Overview & Audit Committee.

**Departmental Risk Registers.** Each Directorate maintains its own risk register. These are reviewed on a quarterly basis by the Performance Monitoring Board which considers whether there are any risks which require escalation to the Strategic Management

Board for potential inclusion in the Corporate Risk Register. Corporate risks are also scrutinised by the Authority's [Overview and Audit Committee](#) at each of its meetings.

**Safeguarding.** The Service works in partnership with local safeguarding, anti-slavery and exploitation, and domestic violence networks to support and improve the lives of the most vulnerable people in its community. In line with the Prevent Duty introduced under the Counter-Terrorism and Security Act 2015, the Service also has representation on the Prevent Boards working in partnership to safeguard people and the community from the threat of terrorism and radicalisation. Where safeguarding needs are identified, referrals are made in line with the safeguarding procedure, and escalation is used where an agency response is not in line with service expectations. Complex cases and those at heightened risk of fire through self-neglect or arson are supported through interaction between relevant agencies and the provision of an enhanced level of safety equipment. The Service participates in Safeguarding Adult Reviews and Domestic Homicide Reviews as required by the Care Act 2014 and the Domestic Violence, Crime and Victims Act 2004, ensuring multi-agency learning is acted upon.

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***Core Principle E: Developing the Authority's capacity, including the capability of its leadership and the individuals within it.***

**Authority Constitutional Documents.** The Authority's [Standing Orders](#) define the roles and responsibilities of the Authority, Committees, Members and Officers and the protocols to be followed. The respective roles and responsibilities for members and officers are set out in the [Combination Order](#) (the statutory instrument that formed the Authority in 1997). Members of the Authority are also members of either Buckinghamshire Council or Milton Keynes Council. Some members may also be members of other agencies with which we may be working. Members are reminded of their responsibility to declare interests at each meeting. There is a [scheme of delegation](#) from the Authority to the Chief Fire Officer and statutory officers. The Chief Fire Officer is also the Chief Executive of the Authority.

There are two ordinary committees of the Authority: the [Executive Committee](#), and the [Overview & Audit Committee](#).

**Member Development.** In 2020/21 seven new members were appointed onto the Authority. Members are given an induction welcome pack, which includes information on the Service's vision and values, Members' Allowances, Code of Conduct, Protocol on Member and Officer Relations, principal officers and a general overview of the Service. Members have a training and development programme with regular workshops and a dedicated Member Support Officer. The Members' Induction workshop took place virtually, with officers giving presentations online followed by a Q&A.

Microsoft Teams meetings were held with Members as groups and individually to help them utilise this technology for Authority meetings. Meeting guidance was also sent to Members with the agenda packs to help with the new virtual meetings.

**[People Strategy](#).** The People Strategy's purpose, which is approved and endorsed by the Authority's Members, is to deliver the Authority's goals by linking strategic aims to service-wide initiatives and projects. This approach aims to develop the organisation through the promotion of a culture of employee involvement, ownership, responsibility and trust. It also ensures our employees, alongside our partners and key stakeholders, can see how strategic aims are translated into day-to-day business, highlighting the importance of every person's contribution to achieving the Authority's vision.

The strategic framework highlights the five key areas supporting our overarching People Strategy; Equality, Diversity and Inclusion, Employee Engagement, Organisational Development and Resourcing, Training, Learning and Development and Employee Health and Wellbeing. Within each area there are a number of strategic outcomes which are aligned with the direction of the Service.

**Staff Development Process.** The Authority's succession planning processes continue to ensure replenished development pools at each level, resulting in staff with the required skills to fulfil the roles as and when needed.

Following the successful pilot of a scheme used to identify and develop future leaders in the Service, we have embedded this into our recently refreshed appointment and promotion procedures and are progressing a new Leadership and Management Development Framework to support and assist with the development of newly recruited or promoted managers.

All employees have an annual appraisal, where their commitment to their behaviours linked to the Authority's values is an essential element. Quality assurance of appraisal returns is undertaken to identify themes, and to assist with training requirements.

**Succession planning.** Regular systematic and rigorous Strategic Workforce and Succession Planning processes are in place, 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 to ensure the Authority continues to meet workforce capacity requirements and build capability. In addition, it provides opportunity to refresh the workforce through the identification of people; internal and where required external to fill identified key positions.

**Health and wellbeing.** The Wellbeing group is made up of employees from across the Service, who support employees using a range of initiatives. The Wellbeing strategy '*Start well, Work well and Age well*' was implemented in 2018 and has regularly been communicated to employees through various means such as the intranet; the Wellbeing Roadshows and the Health and Safety department update programme.

In addition to the internal and external physical and mental health support networks available to staff, 2019 saw the introduction of a network of Mental Health Champions and First Aiders across the organisation. The Critical Incident Stress Debriefing team has been

refreshed and trained in Trauma Support which replaced Critical Incident Stress Debriefing. Trauma Support was relaunched during 2021.

**Training Needs Analysis.** The 'TNA' process assesses the need for staff training at least annually. This TNA is translated into prioritised learning programmes, approved by the Training Strategy Group and scrutinised to ensure alignment with business priorities, business continuity succession plans and approved budgets.

**Fire Service College.** The current contract the Service has with the Fire Service College (the FSC), which commenced in 2017, is due to continue until June 2022. A feature of the arrangement is that our instructors take the lead and run the FSC instructor courses. This ensures that our instructors keep up to date with best practice within other fire and rescue service, rather than becoming insular.

The FSC facilities are used to assess and maintain the competence of operational staff for Breathing Apparatus and 'Incident Command Level 1' and to deliver training on fire behaviour and road traffic collisions.

Refresher training and assessment for Incident Command Levels 2 and 3 is also covered in the arrangement with the FSC. This covers Station and Group Commanders.

The facilities at the FSC enable large scale exercises to be run which enables us to test and improve relationships with partner agencies, such as the South Central Ambulance Service and the Thames Valley Police keen to know when the next one is.

***Core Principle F: Managing risks and performance through robust internal control and strong public financial management.***

**Managing Data.** The Authority has a data management framework which includes a programme of auditing the quality and accuracy of data used in decision making and performance monitoring; a training programme; data quality policy; and procedures for identifying personal and other sensitive information, assessing the impact of systems, processes and procedures, and for sharing information with other agencies and members of the public. The Performance Management Board (PMB) reviews and challenges performance against targets and objectives.

The Authority uses encrypted email for the transmission of information outside of its Virtual Private Network (VPN) and has resilient back-up arrangements to assist in compliance and accountability to the confidentiality, integrity and availability of information.

**Overview & Audit Committee.** This committee reviews arrangements for identifying and managing the Authority's business risks and the approval or recommendation of policies in respect of the Authority's governance framework.

**Chief Finance Officer.** The Director of Finance & Assets ensures the sound administration of the financial affairs of the Authority, as required by the statutory duties associated with section 112 of the Local Government Finance Act 1988 and the Accounts and Audit Regulations 2015. The Chief Financial Officer is required to adhere to professional and ethical standards set by CIPFA.

**Risk Management Strategy.** This ensures that the Authority identifies strategic risks and applies the most cost-effective control mechanisms to manage those risks and reduce impact on the service provided to the public. The Authority's [Risk Management Policy and Guidance](#) was reviewed and updated during the year and approved by the Executive Committee on 24 March 2021.

**Business Continuity Management.** This is to ensure the Authority is resilient to interruptions which have the potential to adversely affect the delivery of core functions. The Authority's business continuity management processes include specific guidance for the management of pandemics. Under these arrangements, a 'Pandemic Management Group' was formed to act as a focal point for contingency planning in relation to the emerging Covid-19 pandemic outbreak from 14 February 2020. The business continuity

management process was invoked with effect from 17 March 2020 to comply with Government guidance relating to the management of the pandemic.

**Governance Structure.** All material business decisions are taken by the Chief Fire Officer in consultation with the Strategic Management Board (SMB) or by Members. Papers submitted for decision-making purposes must be referred to the Chief Finance Officer and the Monitoring Officer for financial and legal scrutiny prior to any decision being taken. The Chief Finance Officer, supported by the Chief Fire Officer leads the promotion and delivery of good financial management so that public money is safeguarded and used appropriately, economically, efficiently and effectively. This is achieved by a finance team that is suitably resourced, professionally qualified and suitably experienced. The Chief Finance Officer meets regularly with the Lead Member responsible for Finance, as well as with the leaders of the political groups represented on the Authority.

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***Core Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability***

**Pay Policy Statement**. This is reviewed at least annually (most recently approved by the Authority in February 2021) setting out its policies on the remuneration of its chief officers, the remuneration of its lowest paid employees and the relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers.

**Gender Pay Gap Reporting**. This is reported annually to the Authority's Executive Committee. The Authority publishes six pieces of prescribed data about the pay and bonuses of male and female workers within the organisation. The report is published annually on the <https://gender-pay-gap.service.gov.uk> website as well as the Authority's website.

**Transparency Information**. Data is published on the website in accordance with the [Local Government Transparency Code](#) (latest version published February 2015) to promote openness and accountability through reporting on local decision making, public spending and democratic processes.

**Agendas, minutes and decisions**. These are published on the website and include the rationale and considerations on which decisions are based.

**Internal Audit**. Buckinghamshire Council Internal Audit service provides the internal audit function for the Authority and reports to the Overview & Audit Committee. Regulation 5 of the Accounts and Audit Regulations 2015 states that the 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. The Chief Internal Auditor provides this opinion in an annual report on the System of Internal Control, which is used to inform the Authority's Annual Governance Statement.

**External Audit**. Ernst & Young LLP provides the external audit services to the Authority and reports regularly to the Overview and Audit Committee. They provide an opinion on whether the financial statements of the Authority give a true and fair view of the financial

position and of the income and expenditure for the year. They also provide a conclusion on the Authority's arrangements to secure economy, efficiency and effectiveness, as well as reporting to the National Audit Office on the Authority's Whole of Government Accounts return.

**Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services.** The 'HMICFRS' [published the findings](#) from its inspection of the Service on 17 December 2019. The report identified 11 areas for improvement and one cause for concern accompanied by two recommendations. The Fire and Rescue Service National Framework requires fire and rescue services to give due regard to HMICFRS reports and recommendations. Where recommendations are made, the receiving Service is required to prepare, update and regularly publish an action plan detailing how such recommendations are actioned ([Fire and Rescue National Framework](#), section 7.5). The Service's [Action Plan](#) was published and approved by the Authority at its 12 February 2020 meeting where it was also agreed that progress against the Action Plan be reported regularly to the Overview and Audit Committee, and onwards to the Authority.

**[Statement of Assurance](#).** This provides staff, partners and local communities with an assurance that the Authority is doing everything it can to keep them safe and that it is providing value for money.

### **Review of effectiveness**

Buckinghamshire & Milton Keynes Fire Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Authority who have responsibility for the development and maintenance of the governance environment.

In addition, the Chief Internal Auditor's annual report, comments made by the external auditors (Ernst & Young), the Operational Assessment, other review agencies and inspectorates (referred to earlier) and the Overview & Audit Committee are all sources providing scrutiny and recommendations upon which the management have drawn to compile the action plan set out in Appendix B.

It is a management responsibility to develop and maintain the internal control framework and to ensure compliance. It is the responsibility of Internal Audit to form an independent opinion on the adequacy of the system of internal control.

This opinion should be used as a key strand of the assurance framework which management use to develop their Annual Governance Statement.

The role of the internal audit service is to provide management with an objective assessment of whether systems and controls are working properly. It is a key part of the Authority's internal control system because it measures and evaluates the adequacy and effectiveness of other controls so that:

- The Authority can establish the extent to which they can rely on the whole system; and
- Individual managers can establish the reliability of the systems and controls for which they are responsible.

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This is presented as the Chief Internal Auditor's opinion:

*"Based on the audit work undertaken, our experience and knowledge of previous years' performance and the current climate in which the Authority is operating, in my opinion the system of internal control provides **reasonable assurance** regarding the effective, efficient and economic exercise of the Authority's functions. However, our work has identified further enhancements that are required to ensure that the internal control framework remains adequate and effective. Findings raised from the 2020/21 internal audit reviews have not identified any material weaknesses. Overall, the Fire Authority has continued to demonstrate a robust and effective internal control and risk management environment.*

*The Chief Internal Auditor would like to acknowledge the Fire Authority's response to Covid-19 and the business continuity measures that were put in place to ensure that statutory responsibilities were fulfilled during the pandemic. The robust governance framework in place ensured that decisions were approved accordingly and that risk implications were considered as part of the decision-making process. A Covid-19 inspection was undertaken by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS); and the letter issued in January 2021 concluded that the Fire Authority 'responded well during the pandemic and provided additional support to its communities'. It should be noted that the Fire Authority has continued to work on the improvement plan which was developed to address the recommendations raised by HMICFRS in December 2019 which highlighted some fundamental risks to the authority*

*The Chief Internal Auditor remains confident that the identified weakness from the inspection will be addressed through the strong improvement programme and a robust governance framework which includes the Overview and Audit Committee scrutiny."*

Source: Internal Audit Service Annual Report of the Chief Internal Auditor 2020/21 July 2021

## Conclusion

As a result of the extensive work undertaken by the management team in reviewing internal structures and reviewing roles and responsibilities as well as the introduction of new systems and processes, working together with the Chief Internal Auditor, the External Auditors and our own Overview and Audit Committee, a plan (see Appendix B) is in place to address the weaknesses identified and ensure continuous improvement of the governance system is in place. Appendix A sets out progress against the delivery of the 19/20 Annual Governance Statement action plan.

Further to the Chief Internal Auditor's comments, we propose over the coming year to take steps set out in Appendix B to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed ..... Date .....

Lesley Clarke OBE - Chairman of the Buckinghamshire & Milton Keynes Fire Authority

Signed ..... Date .....

Jason Thelwell – Chief Executive and Chief Fire Officer of the Buckinghamshire & Milton Keynes Fire Authority

## Appendix A

### Significant Governance Issues addressed in 2020/21

	Issue	Action Plan (as per 2019/20 Statement – Appendix B)	Lead Officer	RAG Status	Comments	Target Date
1.	Review and refresh of internal project and programme governance arrangements.	<p>The Service is in the process of forming a programme management office. Part of the remit of this new function will be to ensure the Service has effective oversight of all projects and programmes, and that these are started, progressed and closed-down in line with best practice.</p> <ul style="list-style-type: none"> <li>Internal governance has not been formally reviewed for a number of years. There may be an opportunity to streamline the number of meetings and</li> </ul>	Director of Legal & Governance	Green	<p>The membership and Terms of Reference of our officer boards were reviewed and refreshed to align with changes to the Service's management structure and improved controls for the management of our project control framework, including the creation of a 'Portfolio Management Office' (PMO). The updated arrangements took effect from 1 January 2021.</p> <p>Key changes included:</p> <ul style="list-style-type: none"> <li>A refresh of the memberships of Performance Management and Business</li> </ul>	Completed

		<p>ensure that all arrangements are proportionate to allow decisions to be taken at the most appropriate level.</p>			<p>Transformation Boards (PMB / BTB) to remove overlaps with the Strategic Management Board (SMB) and include more members from the next layer of management;</p> <ul style="list-style-type: none"> <li>• A tightening of the scope of PMB's terms of reference to focus on better understanding how the Service is performing across the range of its Service Delivery and Support functions and corrective action planning where under-performances have been identified. To reflect this a slight change to PMB's name was agreed and it is now called the</li> </ul>	
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					<p>‘Performance Monitoring Board’.</p> <ul style="list-style-type: none"> <li>BTB’s terms of reference have been widened so that it will now take on the monitoring of project performance from PMB in addition to its existing remit, so that we have a single point of decision across the life-cycles of all projects to complement the single point of control being established by the PMO.</li> </ul>	
2.	Review of external partnership arrangements	During the response and recovery phases of the COVID-19 pandemic, the Service has engaged with a large number of external partners across a range of activities. These, and other existing partnership	Director of Finance and Assets	Amber	A review of arrangements is underway, but completion will be delayed beyond the original target date.	New target date September 2021

		<p>arrangements, will be reviewed to ensure that:</p> <ul style="list-style-type: none"> <li>• partners maintain the same high standards of conduct with regard to financial administration and corporate governance that apply throughout the Authority</li> </ul> <p>they are evaluated and contribute to the achievement of the Authority's objectives</p>				
3.	Blue Light Hub Joint Working Arrangements	<p>The new Blue Light Hub in Milton Keynes will be a shared facility between Bucks Fire and Rescue, Thames Valley Police and South Central Ambulance Service.</p> <p>Security and privacy is being risk assessed and a DPIA is being developed these will ensure adequate security arrangements are in place</p>	Director of Finance and Assets	Green	<p>Security arrangements, including robust access and monitoring controls are in place.</p> <p>Governance arrangements are being developed and will be in place by the original target date.</p>	New target date September 2021

		<p>to protect information through robust access and monitoring controls.</p> <p>New governance arrangements will need to be constituted that oversee the management of the building, joint working practices and on-going cost sharing arrangements.</p>				
4.	Information Security	<ul style="list-style-type: none"> <li>The records retention and destruction schedules need to be developed to include all record types held and records deleted /destroyed in line with listed timescales.</li> <li>Records of Processing Activities are developed to ensure that all</li> </ul>	Director of Legal & Governance	Red	<p>These actions were included within the scope of a proposed review of the role of the Administration teams which envisaged assigning 'information steward' responsibilities to manage retention schedules / records. However, progress with the review was interrupted by the Covid-19 pandemic. Options for addressing these requirements on a resilient basis will be re-</p>	<p>New target date 31 December 2021</p>

		processing activities are identified and tracked.			considered and re-prioritised as part of Covid-19 recovery planning.	
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## Appendix B

### Significant Governance Issues to be addressed in 2021/22

	Issue	Action Plan	Lead Officer	Target Date
1.	Following phase 1 of the internal governance review which focused on the top-level board structure (SMB / BTB / PMB) further work is planned to address other issues identified in the review of stakeholder requirements that informed the approach and terms of reference for the governance review.	<p>Further planned work comprises:</p> <ul style="list-style-type: none"> <li>the review of other groups and meetings that sit below the board structure, such as, but not limited to, the Training Strategy Group (TSG), Public Safety Group (PSG), Operational Assurance Group (OAG) etc. with a view to identifying opportunities to streamline these and clarify their relationships to the boards;</li> <li>establishing a single point of access on the Intranet for information and guidance in relation to the workings of, and decisions made by the boards and other key decision-making bodies; and,</li> <li>Integrating information about our governance structures and processes into planned training activities where appropriate such as the <u>Leadership and Management Development Framework</u>.</li> </ul>	Director of Legal and Governance	31 December 2021

2.	Performance Reporting	As noted within the Financial Strategy, the Authority should review its budget monitoring and reporting arrangements with a view to integrating performance and financial information to focus on monitoring and achieving continuous improvement. This will further improve compliance with the CIPFA Financial Management Code.	Director of Finance and Assets	31 March 2022
3.	Corporate Risk Management	Enhance Member scrutiny of Corporate Risks by engaging Lead Members in the risk evaluation process for risks identified within the remit of their portfolio	Director of Legal & Governance	31 July 2021
4.	Review of the statutory Data Protection Officer (DPO) function	Explore opportunities for options for GDPR compliance including via an appointed external DPO on a service contract or a single DPO to act for more than one authority.	Director of Legal & Governance	30 September 2021



# Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Overview and Audit Committee, 21 July 2021

**Report title:** Corporate Risk Management

**Lead Member:** 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](mailto:sgowanlock@bucksfire.gov.uk)

**Action:** Decision

**Recommendations:**

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

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**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 including, at the present time, Coronavirus (COVID-19) and UK - EU post transition period risks.

Our involvement with the Local Resilience Forum directly links us into national Government agencies and departments such as Public Health England and the Ministry of Housing, Communities and Local Government. This allows us to share 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 our activity directly to the needs of the public.

The Corporate Risk Register was last reviewed by the Overview and Audit Committee at its 17 March 2021 meeting. Since then, it has been subject to regular 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.

Since the last Overview and Audit Committee review:

- No new or existing risks were identified as requiring escalation to the Corporate Risk Register (shown at Appendix 3);
- No changes were recommended to the evaluations, risk scoring or RAG status of the existing corporate risks;
- It was agreed that Lead Members be consulted during the evaluation process for risks falling within their portfolios of responsibility;
- The Funding and savings risk has been updated to reflect the increase in Support staff pay by 2% in line with the final year of the three-year pay deal. The NJC has agreed a pay increase of 1.5% for grey book staff and brigade managers. The Authority had budgeted for 0%, in line with the Government's declared pay pause. This will therefore be an in-year pressure for 2021-22 as well as increasing costs in future years;
- In relation to the EU Transition risk (pages 7 – 8 of Appendix 3), although at Green RAG status, it was agreed that this risk should be retained on the corporate risk register to ascertain whether there are potential effects that are currently being masked by Covid-19 pandemic – these may become more apparent as Covid recovery gathers pace and remaining transition milestones are reached. On the 28 June 2021 the EU adopted a positive data adequacy decision with respect to the UK as detailed at page 8 of Appendix 3;
- In relation to the Covid-19 resurgence risk (pages 9 – 10 of Appendix 3), arrangements have been made for staff to undertake lateral flow tests at home, through the Workplace Collect programme, in association with the Dept of Health and Social Care (DHSC). The Parliamentary decision on whether to move to step four on 19 July will be taken on 12 July. The pandemic management group continue to monitor the risks to staff and will ensure the appropriate controls remain in place as wider social restrictions are lifted; and,
- Regarding the Firefighter Pension Schemes risk (page 11 of Appendix 3), a Home Office 'one-off' allocation of funding has been received to mitigate some of the cost of additional administrative burdens arising from recent Court / Tribunal decisions (£32,301 being the pro rata share of the £3m allocated nationally).

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 year are shown at Appendix 2.

Detailed assessments of identified corporate risks are shown in the Corporate Risk Register at Appendix 3.

**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 C.

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.

**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 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 24th March 2021 Executive Committee:

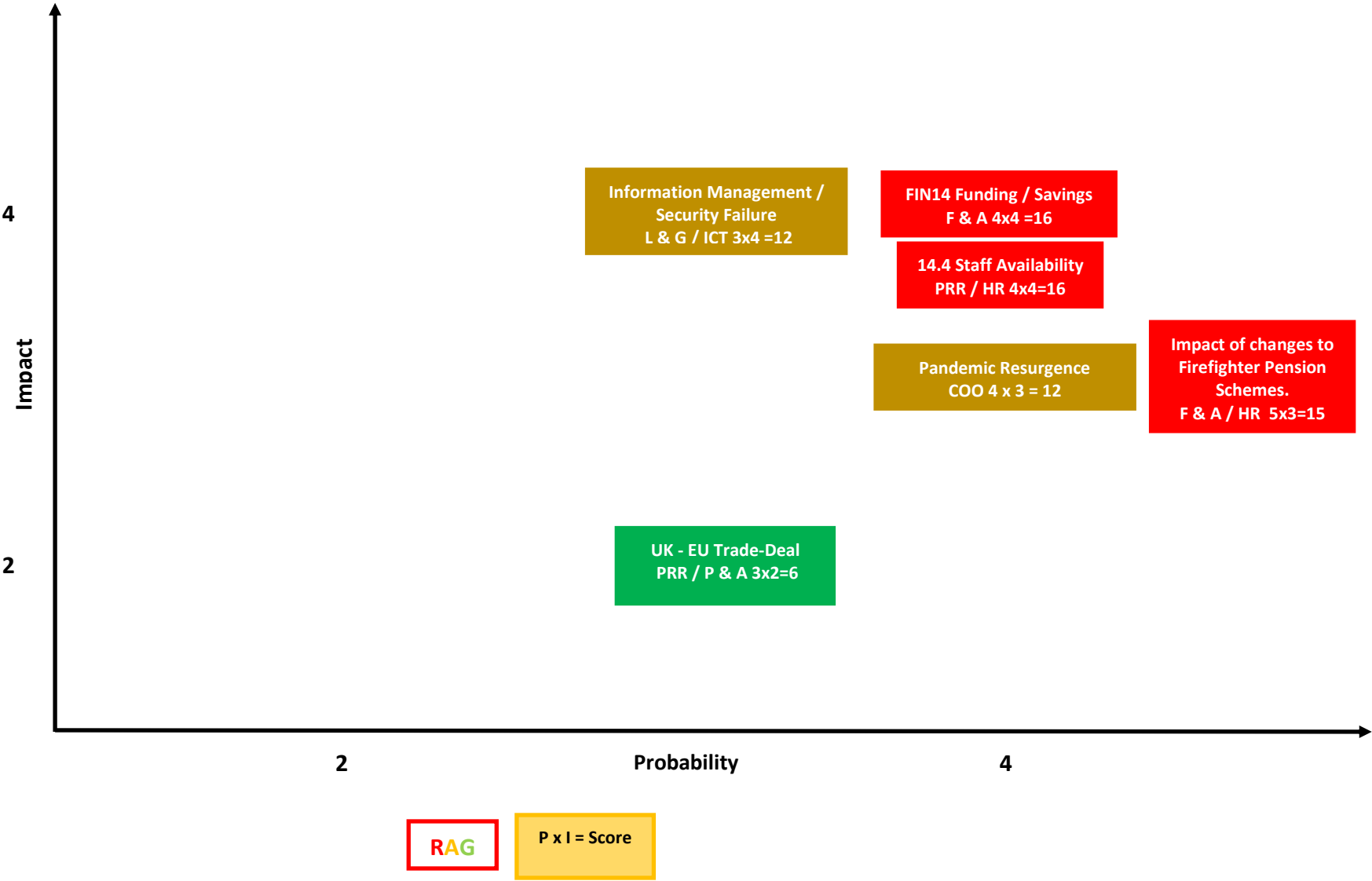
<https://bucksfire.gov.uk/documents/2021/03/ec-240321-item-5.pdf/>

CFA Members were last updated on the status of the Authority's Corporate Risks at the 17 March 2021 Overview & Audit Committee:

<https://bucksfire.gov.uk/documents/2021/03/oa-item-9.pdf/>

Appendix	Title	Protective Marking
1	Distribution of Corporate Risks as at 6 July 2021.	None
2	12 Month View of Changes to Corporate Risks	None
3	Corporate Risk Register Report	None

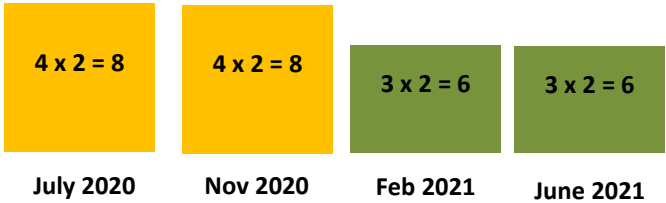
Appendix 1: Corporate Risk Map – As at 22 June 2021 SMB



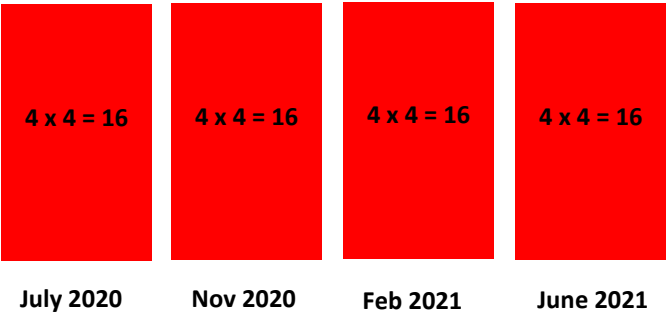
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Appendix 2 – Risk Register Changes (12 Month View)

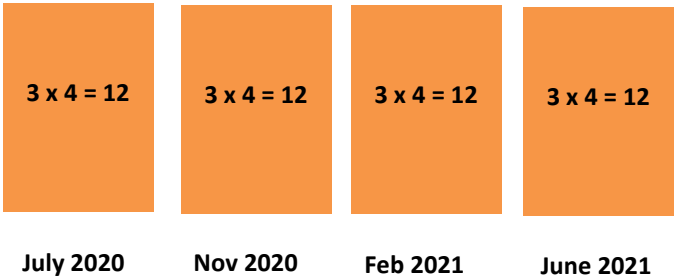
No UK – EU Trade Agreement



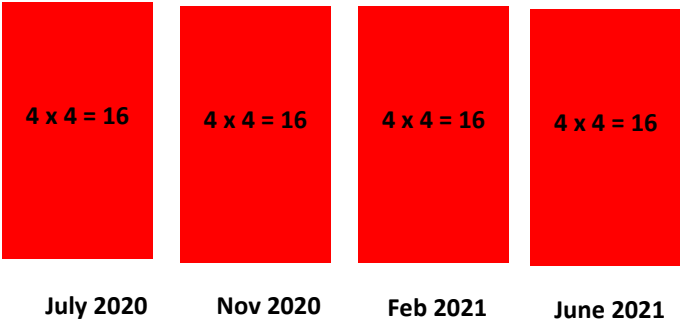
Staff Availability



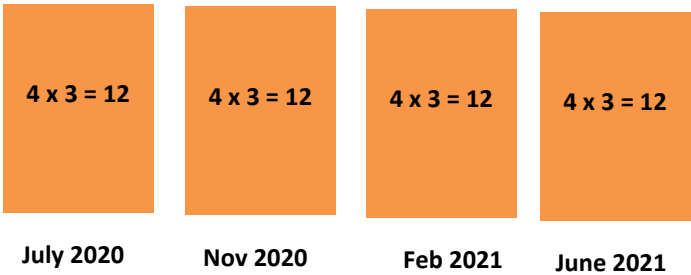
Information Management / Security Failure



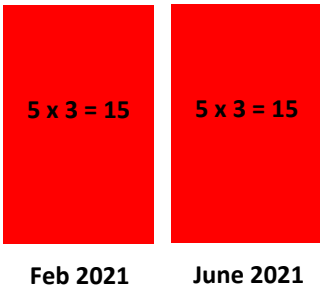
Risk to Funding



Risk of Covid-19 Resurgence / Pandemic Flu



Impact of Changes to Firefighter Pension Schemes



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## Appendix 3 - Corporate Risk Register – as at 6 July 2021

### Corporate Risks

Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	R A G	Comments / Further Treatment Proposed
			P	I	Σ				
<b>CRR 014.4 Staff Availability</b>  <b>1/ Staff inability to get to work due to external factors e.g. Pandemic Flu, disruption to fuel supplies etc.</b>  <b>2/Impact of transformation at pace on attraction of new staff, retention and overall workforce stability. This is a composite risk more detailed evaluations of individual risk components are contained in the HR Directorate Risk Register.</b>	Chief Operating Officer	Potential detrimental effects on service delivery to the community and our reputation.  Failure to discharge statutory duties.  Loss of critical knowledge / skills / capacity / competency levels.	(2)	(5)	(10)	(M)	<ul style="list-style-type: none"> <li>Full business continuity plans in place &amp; uploaded to Resilience Direct.</li> <li>Peer review of the business continuity arrangements</li> <li>Bank System</li> <li>Flexi-Duty System Pilot</li> <li>Staff Transfer Procedure</li> <li>Employee assistance and welfare support</li> <li>Training Needs Assessment process</li> <li>Monitoring of staff 'stability ratio' relative to best practice and sector norms</li> <li>Review of Resourcing and Retention strategies</li> <li>Wider range of contracts offering more flexible ways of working</li> <li>A variety of approaches are being adopted to replenish the workforce. These include more operational apprentices, transferees, and re-engagement options</li> <li>Workforce planning data is regularly reviewed with Prevention, Response &amp; Resilience, HR and Finance.</li> <li>Growth bids to be considered to support future resourcing demands.</li> <li>HR are reviewing the future promotion and career development options</li> <li>Resourcing levels are constantly monitored to ensure coverage.</li> </ul>	<b>R</b>	<b>23 June 2020 SMB</b> No change to risk score or evaluation. <b>25 August 2020 SMB</b> 8 On-call employees joined on 3 August. Flexi-Firefighter shortlisting is underway, interviews due to take place in September. HR presence at Pandemic Recovery meetings and government guidance is reviewed regularly. HR are working closely with Occupational Health, Welfare Officer and Employee Assistance providers to ensure welfare is in place to support employees. <b>22 September 2020 SMB</b> Detailed workforce planning has been undertaken to understand the impact of the Sargeant pensions ruling and any necessary action that needs to be taken to mitigate the risk on workforce number. The annual succession planning and business continuity report was presented to the Executive Committee on 16 September.  A Development centre has taken place to replenish development pools at Crew, Watch and Station level.  The Recruitment Oversight Board is due to meet shortly, to ensure that joined up approach.  A meeting took place week commencing 14 September to evaluate the Cohort Five recruitment and selection process and identify any learning to inform future processes.  As the number of covid-19 cases increase nationally, this will be continually monitored to ensure the necessary guidance and support is in place and communicated to staff.
			(5)	(5)	(25)	(H)			
			(3)	(5)	(15)	(H)			
			(4)	(5)	(20)	(H)			
			(3)	(5)	(15)	(H)			
			(5)	(4)	(20)	(H)			
			(4)	(3)	(12)	(M)			
			(5)	(3)	(15)	(H)			
			(4)	(3)	(12)	(M)			
			(5)	(3)	(15)	(H)			
			(3)	(3)	(9)	(M)			
			(4)	(3)	(12)	(M)			
			<b>4</b>	<b>4</b>	<b>16</b>	<b>H</b>			

### Appendix 3 - Corporate Risk Register – as at 6 July 2021

							<ul style="list-style-type: none"> <li>• The Recruitment Oversight Board meets regularly to review resourcing and ensure a joined-up approach.</li> <li>• Pensions remedy consultation received, response to be drafted. Workforce planning to be reviewed for implications and plans put in place</li> <li>• GC/AC development centre held.</li> <li>• CC/WC/SC development centre held in September 2020.</li> <li>• On-call virtual awareness evenings held and recruitment continues ensuring compliance with government guidance.</li> </ul>	<p><b><u>19 January 2021 SMB</u></b>  HR attend Pandemic planning meetings. Government guidance is reviewed regularly and communicated to employees. HR are working closely with Managers, Occupational Health, Welfare Officer and Employee Assistance providers to ensure welfare is in place to support employees. As cases of COVID19 continue to rise HR and RMT review absence on a daily basis to ensure it is correct for the absence reporting and resourcing requirements. Recruitment continues in a socially distanced way and virtually where possible. It is reviewed regularly to ensure compliance. The Pensions ruling is expected shortly, Finance and HR liaise on a regular basis on Pensions matters.</p> <p><b><u>16 February 2021 SMB</u></b>  In light of the recommendation from the 4 February PMB, SMB approved the extraction of the pensions related aspects of this risk and their inclusion as a separate risk in the corporate risk register (see page 11 below).</p> <p><b><u>13 April 2021 SMB</u></b>  Agreed to keep at red RAG status in light of longer term contingent strategic risks and uncertainties potentially arising from the Government's fire reform agenda and national resilience strategy (mandated by the Integrated Review), the outcomes of which are as yet to emerge.</p> <p><b><u>22 June 2021 SMB</u></b>  No change to risk evaluation or score required at this time.</p>
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### Appendix 3 - Corporate Risk Register – as at 6 July 2021

Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	RAG	Comments / Further Treatment Proposed
			P	I	Σ				
<b>Fin 14 – Funding and Savings Requirement</b>	Director Finance & Assets	The funding settlement now assumes that a council tax increase is required each year in line with the prevailing capping limit, currently 2% for the Fire Authority, and that local growth meets expectations.  If either, or both, did not come to fruition then 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.	(4)	(4)	(16)	H	Proactive management of the MTFP is in force and is very closely aligned to workforce planning.	<b>R</b>	<p><b><u>23 June 2020 SMB</u></b> No change to risk score or evaluation</p> <p><b><u>25 August 2020 SMB.</u></b> On 21 July 2020 The Chancellor launched the 2020 Comprehensive Spending Review (CSR). The review will set UK Government departments' resource budgets for the years 2021/22 to 2023/24. It is expected the Provisional Settlement, which will detail the budgets for the Service for those years, will be announced in late December 2020.</p> <p><b><u>22 September 2020 SMB</u></b> No change to position reported at last meeting. No changes to risk score / RAG status recommended at this time.</p> <p><b><u>20 October 2020 SMB</u></b> The Draft Financial Strategy was approved by SMB for recommendation to the Executive Committee and Fire Authority. The Strategy presents multiple financial scenarios with potential actions that the Service could take in relation to each.</p> <p><b><u>21 October 2020 Update</u></b> The Government announced that the Chancellor has decided to conduct a one-year Spending Review. The Review will conclude in "late November" and we therefore expect the Local Government Finance Settlement will be announced in late December.</p> <p><b><u>19 January 2021 SMB</u></b> On 17 December 2020, the Government published the provisional local government finance settlement for 2021-22. The proposed referendum principles for fire and rescue services is that any increases in Council Tax are limited to less than 2% (same as for 2020-21). In a letter dated 24 December 2020, the Minister confirmed that the pensions grant will continue to be paid next year, at</p>
			(3)	(4)	(12)	M			
			(3)	(4)	(12)	M	For the present, USAR (S31) grant funding is assumed to continue, though notification now seems to be year on year and often after budget setting. If removed, the Authority will need to cope with a circa £800k cut in funding.		
			<b>4</b>	<b>4</b>	<b>16</b>	<b>H</b>	<p>The Authority has responded to consultations and lobbied MPs to increase the referendum threshold for fire authorities to £5.</p> <p>As part of the budget setting process, we will seek to identify savings opportunities to address the deficit in the overall revenue budget for potential implementation in 2022-23.</p>		

### Appendix 3 - Corporate Risk Register – as at 6 July 2021

								<p>the same allocations as last year, and will be baselined into the local government finance settlement from 2022-23.</p> <p><b><u>16 February 2021 SMB</u></b></p> <p>Final figures received from the billing authorities on council tax and business rates result in an overall budget deficit of circa £1.1m for 2021-22. However, there is still a great deal of uncertainty over the level of support available from the Government, which will in-part depend on the outturn position of the collection funds for 2020-21. The level of business rates funding could be especially volatile and will require close attention over the coming years due to the substantial level of provisions for bad debts and appeals contained within the figures that have been provided.</p> <p><b><u>13 April 2021 SMB</u></b></p> <p>The Director of Finance &amp; Assets advised that some sundry revenue receipts have been identified or received but these are not material to the strategic financial outlook for the Authority. No change to risk score or RAG status recommended at this time.</p> <p><b><u>22 June 2021 SMB</u></b></p> <p>The Government has declared it is looking to rule out material change of circumstances appeals in relation to Covid-19, which should lead to an improvement to the business rates collectable for 2022-23.</p> <p>Support staff pay has increased by 2% in line with the final year of the three-year pay deal. The NJC has agreed a pay increase of 1.5% for grey book staff and brigade managers. The Authority had budgeted for 0%, in line with the Government's declared pay pause. This will therefore be an in-year pressure for 2021-22 as well as increasing costs in future years.</p>
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### Appendix 3 - Corporate Risk Register – as at 6 July 2021

Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	RAG	Comments / Further Treatment Proposed
			P	I	Σ				
<b>Information Management* / Security failure to -</b>  <b>a) comply with statutory or regulatory requirements</b>  <b>b) manage technology</b>  <b>c) manage organisational resources</b>  Deliberate: unauthorised access and theft or encryption of data. Accidental: loss, damage or destruction of data	Senior Information Risk Owner (SIRO) Director Legal & Governance	<ul style="list-style-type: none"> <li>Inability to access/use our e-information systems.</li> <li>Severe financial penalties from the Information Commissioner</li> <li>Lawsuits from the public whose sensitive personal information is accessed causing damage and distress.</li> </ul> <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) <b>3</b>	(4) <b>4</b>	(16) <b>12</b>	(H) <b>M</b>	<b>1. Appropriate roles:</b> - SIRO has overall responsibility for the management of risk - Information and information systems assigned to relevant Information Asset Owners (IAO's) - Department Security Officer (DSO) the Information Governance & Compliance Manager has day-to-day responsibility for the identification of information risks and their treatments - 'Stewards' assigned by IAO's with day-to-day responsibility for relevant information. <b>2. Virus detection/avoidance:</b> 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; <b>3. Policies / procedure:</b> Comprehensive review and amendment of the retention and disposal schedules / Information Asset Registers, - 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 <b>4. Premises security:</b> - Preventative maintenance schedule - Frequent audits at Stations and inventory aligned to asset management system. - Reduction in the number of CCTV requests following improved education and guidance in relation to the use of the same;	<b>A</b>	<u><b>20 October 2020 SMB</b></u> Risk description updated to include wider information management as well as security risks. <u><b>19 January 2021 SMB</b></u> <b>Impact of the end of the BREXIT transition period:</b> The Trade and Cooperation Agreement between the EU and the UK allows for the continuing free flow of data from the EU to the UK after 1st January 2021 via a "bridging mechanism". The Agreement anticipates an EU adequacy decisions for the UK in the next six months. <b>Major cyber-attack:</b> The Home Office have asked us to review the impact of the SolarWinds cyber-attack on /authority systems. ICT have written to advise that Capita/Updata use it to monitor their systems that support our network but have temporarily suspended these platforms. <u><b>19 February 2021 SMB</b></u> Protections in place with our suppliers regarding SolarWinds. Following the attack on Microsoft by WannaCry ICT are working through application of patches. <u><b>13 April 2021 SMB</b></u> SMB reviewed the risk evaluation in light of the recent 'Qakbot' incident but agreed that no change to the current RAG status / score was required given early detection of the potential vulnerability and steps taken to contain and remove the risk.

### Appendix 3 - Corporate Risk Register – as at 6 July 2021

		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>- Premises Security Group re-established to meet on a 3 monthly basis aligned to the PMB meeting schedule has been suspended during the internal governance review. The associated risks are being monitored.</p> <p><b>5. Training:</b> The biennial “Responsible for Information” training will be supplemented by the National Cyber Security Centre’s new e-learning package 'Top Tips for Staff' which has been built into the Heat training platform as a mandatory biennial package. Cyber-security training, delivered by Thames Valley Police’s cyber security advisor, rolled out to members of the Leadership Group during September 2020. Further training planned for 21/22.</p>		<p><b>22 June 2021 SMB</b> A number of high-profile websites across the globe, including UK government, experienced disruption on 8 June 2021 due to a software bug at ‘Fastly’ the cloud-computing company. Although BFRS does not use Fastly’s services directly the BFRS website nonetheless experienced a very brief outage as a consequence of this highlighting the vulnerability of complex interdependent systems (Fastly operate servers at strategic points around the world to facilitate movement and storage of content close to their end users). However, the main threat remains that of malicious attacks as demonstrated by the recent ransomware attack on the Colonial Pipeline operator which carries 45% of the US east coast’s diesel, petrol and jet fuel supplies. The attack disrupted supplies for several days causing fuel shortages.</p>
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### Appendix 3 - Corporate Risk Register – as at 6 July 2021

Risk Description	Resp.	Consequences if Untreated	Risk Score (Former) / New			Risk Level	Current Treatment	RAG	Comments / Further Treatment Proposed
			P	I	Σ				
Risk of physical disruption to Service operations due to no, or insufficiently comprehensive agreement covering future UK relations with the EU.	Heads of Prevention, Response & Resilience and Protection & Assurance.	Disruption to procurement processes leading to potential shortages of equipment or consumables.	(4)	(2)	(8)	(M)	The likely impact of short-term disruption to supplies of equipment to the Service is considered to be low given that: most Authority procurement contracts are with UK based suppliers; and, the relatively long timescales for procurement within the sector. Advice and guidance from the NFCC and Fire Industries Association in relation to this risk is monitored and acted on as required.	G	<p><b>19 January 2021 SMB</b></p> <p>The UK - EU transition period ended on 31 December 2020. It was replaced by a Trade and Cooperation Agreement comprising:</p> <ul style="list-style-type: none"> <li>• A free trade agreement covering the economic and social partnership, including transport, energy and mobility;</li> <li>• A framework for cooperation between law enforcement and judicial authorities across civil and criminal matters;</li> <li>• An overarching governance arrangement which will enable either side to impose tariffs if they consider that the provisions relating to the 'level playing field' / state aid have been breached.</li> </ul> <p>The scope of the deal and experience to date indicates that the likelihood of there being significant physical disruption to the Service's operations arising from the new arrangements is low. Officers continue to monitor developments via the TVLRF EU Transition Cell. In light of this it is recommended that the probability risk score be reduced to 3 resulting in a Green RAG status.</p> <p><b>16 February 2021 SMB</b></p> <p>No change to risk score – retain for now pending further review following consideration at 17 March O &amp; A meeting.</p> <p><b>13 April 2021 SMB</b></p> <p>Agreed that this risk should be retained on the corporate risk register to ascertain whether there are potential effects that are currently being masked by Covid-19 pandemic – these may potentially become more apparent as Covid recovery gathers pace. No change to risk score at this time.</p>
		Disruption to transportation delaying personnel and or vehicle movements.	(3)	(2)	(6)	(L)			
			(4)	(2)	(8)	(M)			
			3	2	6	L			

### Appendix 3 - Corporate Risk Register – as at 6 July 2021

								<p><b>22 June 2021 SMB</b>  From July, the UK Border Operating Model will end, the full burden of customs declarations will become permanent, requiring full declarations at the point of importation and tariffs with additional paperwork and checks taking place. Also, in the event of an unfavourable data adequacy decision by 1 July, the UK will be treated as a third country for personal data transfers, creating new legal requirements immediately. However, the risk of disruption to our Service operations in the event of these contingencies remains low. No change to risk score recommended at this time.</p> <p><b>29 June 2021 Update</b>  On 28 June 2021 the EU Commission <a href="#">adopted two adequacy decisions</a> for the United Kingdom - one under the General Data Protection Regulation (GDPR) and the other for the Law Enforcement Directive. Personal data can now flow freely from the European Union to the United Kingdom where it benefits from an essentially equivalent level of protection to that guaranteed under EU law. The adequacy decisions include a sunset clause, which strictly limits their duration. This means that the decisions will automatically expire four years after their entry into force. After that period, the adequacy findings might be renewed, however, only if the UK continues to ensure an adequate level of data protection.</p>
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### Appendix 3 - Corporate Risk Register – as at 6 July 2021

Risk Description	Resp.	Consequences if Untreated	Risk Score (Former) / New			Risk Level	Current Treatment	RAG	Comments / Further Treatment Proposed
			P	I	Σ				
Risk of resurgence of Covid-19 and / or seasonal influenza in Autumn / Winter 2020 and into 2021.	Chief Operating Officer	Increased levels of sickness absence amongst staff.  Potential degradation of capacity or capability to deliver key services to the public and / or sustain supporting functions.	(4)	(3)	(12)	M	<p>In addition to controls identified for existing staff availability risk (see page 1-2 above):</p> <ul style="list-style-type: none"> <li>Maintenance of current social distancing and sanitisation regimes in all Authority workplaces.</li> <li>Remote working for functions that do not require physical presences in Authority workspaces.</li> <li>Risk assess and prioritise non-emergency services requiring physical contact with the public, suppliers, partner agencies etc.</li> <li>Provision of appropriate PPE for staff required to work in close proximity with the public.</li> <li>Appliance / service availability degradation planning.</li> <li>Free seasonal flu jabs available to all staff.</li> <li>Covid-19 app rolled out to all sites, and pushed to all Authority phones</li> <li>Lateral flow testing available to all staff via workplace collect scheme.</li> </ul>	A	<p><b><u>17 November 2020 SMB</u></b> All BFRS Premises are now COVID-19 Secure. RMT has been established as SPOC for local PHE outbreak management. HMICFRS COVID inspection complete – initial feedback to CFO expected 13 November.</p> <p><b><u>19 January 2021 SMB</u></b> There has been a significant increase in Covid cases being reported within the Service with absence rates peaking at 10% of workforce earlier in the month but trending down since then. Still awaiting confirmation of FRS inclusion in vaccination programme, if confirmed then would expect FRS vaccinations to start in phase 2.</p> <p>Through our involvement with Bucks CCG in supporting the setting up of a number of primary care network sites for the GP led local vaccination centres, the Service has been asked to provide a priority list of staff, both operational and support, who could be contacted at relatively short notice and be vaccinated, in the event that there are unused vaccines at the Stoke Mandeville Stadium site. Continuing to support the TVLRF and partners where possible. No change to risk score at this point but continue to closely monitor Covid related absence rates.</p> <p><b><u>16 February 2021 SMB</u></b> We continue to deploy safeguarding measures for our staff to protect them from the effects of COVID-19 due to the virus being unknowingly spread. Lateral Flow Testing has now been made available to all staff and will help to identify anyone in the workplace who may not be displaying any symptoms (asymptomatic).</p>

### Appendix 3 - Corporate Risk Register – as at 6 July 2021

								<p>Furthermore, effective working with colleagues within the NHS and CCGs, has enabled 263 staff, to be offered the COVID vaccine earlier than would otherwise have been expected by drawing on unused capacity within vaccine batches. This equates to 54% of our establishment\workforce.</p> <p><b><u>13 April 2021 SMB</u></b> The Head of Covid 19 Preparedness &amp; Response updated on plans to introduce arrangements for staff to undertake lateral flow tests at home, through the Workplace Collect programme, in association with the Dept of Health and Social Care (DHSC). Although current direction of travel in relation to Covid recovery aligned to Government road-map is positive it was agreed that the current risk score would remain but be kept under review in light of external developments.</p> <p><b><u>22 June 2021 SMB</u></b> Officers continue to monitor developments in relation to the Government's recovery road-map and potential delays to the relaxation of 'lockdown' measures in light of the rise in Delta variant infections. No change to risk score or evaluation at this time.</p> <p><b><u>6 July Update</u></b> The Parliamentary decision on whether to move to step four on 19 July will be taken on 12 July. The pandemic management group continue to monitor the risks to staff and will ensure the appropriate controls remain in place as wider social restrictions are lifted.</p>
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### Appendix 3 - Corporate Risk Register – as at 6 July 2021

Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	RAG	Comments / Further Treatment Proposed
			P	I	Σ				
<b>Court of Appeal ruling on the McCloud / Sargeant cases: potential impact on staff retirement profile, resourcing to implement required changes and financial impacts thereof.</b>	Director Finance & Assets	<p>Potential detrimental effects on service delivery to the community and our reputation.</p> <p>Failure to discharge statutory duties.</p> <p>Loss of critical knowledge / skills / capacity / competency levels,</p> <p>Failure to comply with legal requirements.</p> <p>Unknown / unquantified budgetary impacts.</p>	5	3	15	H	<ul style="list-style-type: none"> <li>Review of Resourcing and Retention strategies</li> <li>Workforce planning data is regularly reviewed with Prevention, Response &amp; Resilience, HR and Finance.</li> <li>Resourcing levels are constantly monitored to ensure coverage.</li> <li>Potential impacts on costs to be factored into future Medium-Term Financial Planning process.</li> <li>Recruitment of dedicated specialist resource to evaluate requirements arising from the Court of Appeal ruling and implement necessary administrative changes.</li> </ul>	R	<p><b>16 February 2021 SMB</b></p> <p>In light of the recommendation from the 4 February PMB, SMB approved the extraction of the pensions related aspects of this risk and their inclusion as a separate risk in the corporate risk register.</p> <p>On 12 February 2021 the judgment of the Employment Appeal Tribunal was handed down. This found that authorities had acted unlawfully in implementing the legislated changes to the Firefighters Pension Scheme. We are awaiting further advice on the implications of this judgment, especially in relation to payments due to those who have recently retired or are due to do so imminently.</p> <p><b>13 April 2021 SMB</b></p> <p>A recent Home Office 'one-off' allocation of funding to mitigate some of the cost of additional administrative burdens arising from Court / Tribunal decisions in relation to the Firefighters Pension Scheme (£32,301 being the pro rata share of the £3m allocated nationally) was noted. The potential risks to the schemes administration nationally as a result of provider consolidation were discussed and noted alongside potential cost sharing across fire authorities nationally to offset potential financial risks arising from further litigation in relation to schemes at individual authority level.</p> <p><b>22 June 2021 SMB</b></p> <p>The Home Office and LGA issued version 2 of their immediate detriment guidance in June 2021. This will assist with the handling of immediate detriment payments.</p>

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# Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Overview and Audit Committee, 21 July 2021

**Report title:** Equal Pay Audit

**Lead Member:** Councillor Steven Lambert; People, Equality and Diversity and Assurance

**Report sponsor:** Mick Osborne; Chief Operating Officer / Deputy Chief Fire Officer

**Author and contact:** Faye Mansfield; HR Advisory and Development Manager  
[fayemansfield@bucksfire.gov.uk](mailto:fayemansfield@bucksfire.gov.uk)

**Action:** Noting

## **Recommendations:**

1. It be noted the Authority is achieving equitable pay between genders, and the other protected characteristics of age and race
  2. The action plan and recommendations, as detailed in Appendix one, be noted
- 

## **Executive summary:**

Under the Equality Act 2010, it is unlawful for an employer to discriminate between men and women in terms of their pay and conditions where they are in the same employment and are doing the same or similar work, work rated as equivalent, or work of equal value.

An equal pay audit is the most effective way of checking the Service is complying with its equal pay obligations, ensuring it delivers a pay system free from bias. In addition to gender, analysis was also undertaken for additional protected characteristics of age, disability, and ethnicity. An equal pay audit involves comparing pay of employees doing equal work and has three main purposes:

- to identify any differences in pay between those doing equal work
- to investigate the causes of any differences in pay between those doing equal work, and
- to eliminate instances of unequal pay that cannot be justified

In 2013, the outcome of the last equal pay audit was presented to the Executive Committee. This audit confirmed the integrity of the Service's pay and grading structures. Whilst no equal pay issues were identified within that audit, opportunities for simplification of processes, procedures and practices were identified, including a

review of the Support Services pay and grading system design, which then formed part of a wider review of Support Services terms and conditions of employment.

To ensure impartiality, an external consultant was appointed in January 2020 to undertake the Service's equal pay audit. The snapshot date for the equal pay audit was 1 January 2020. The meaningful comparator data included base salary and 12-months' worth of allowance data for protected characteristics of gender, age, disability, and ethnicity.

The equal pay audit has confirmed the Service is achieving equitable pay between gender, and the other protected characteristics of age and race. There is insufficient data on disability to be able to analyse effectively.

Recommendations have been made, as detailed in the Action Plan in Appendix one, and these will be addressed throughout 2021/22.

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### **Financial implications:**

The on-going cost of the pay protection arrangements is £20,412 per year. This is contained within the existing revenue budget.

It is anticipated that other actions contained within the action plan in Appendix one will be cost neutral.

### **Risk management:**

The Service must ensure its pay structures meet the requirements of the Equality Act 2010. An equal pay audit is an appropriate method of ensuring the Service has a fair, transparent, inclusive pay and reward structure, free from bias, which therefore mitigates risk of equal pay claims in the future.

Equal pay claims are usually brought in an employment tribunal, which can make a declaration of the claimant's rights and require payment of any arrears of pay (in the case of pay) or damages (in the case of a non-pay contractual term). However, in some circumstances a claim can be brought in the civil courts.

Whilst no unjustifiable differences in pay have been identified between protected characteristics of gender, age and race, and there are therefore no underlying indirect discrimination issues, the equal pay audit has highlighted several recommendations where there are potential risks. To mitigate these risks, an action plan has been drafted, as detailed within Appendix one.

### **Legal implications:**

The Equality and Human Rights Commission (EHRC) issued 'Equal Pay: Statutory Code of Practice' under section 14 of the Equality Act 2006 (as amended). This is focussed on gender pay discrimination under the Act and recommends that all employers carry out regular equal pay audits.

However, it also recommends that methods used to identify and remedy unlawful gender pay discrimination can also be used to remedy unlawful pay discrimination on other grounds (such as race or disability).

The equal pay audit has been undertaken in accordance with the 5-step model in EHRC's Statutory Code of Practice.

An employer can pay a man more than a woman (and vice versa) for doing equal work, but only if it can prove that the variation in pay is due to a material factor which is not directly or indirectly discriminatory on the grounds of gender. Pay protection arrangements following a job re-grading exercise can in principle amount to a valid material factor defence.

**Privacy and security implications:**

The Authority is committed to protecting and respecting the privacy of employee and the responsible handling of data. Due to the Equal Pay Audit detailing personally identifiable information this will not be shared, however the content has formed the basis of this report and the recommendations.

**Duty to collaborate:**

Each employer must ensure their pay structures meet the requirements of the Equality Act 2010. Other than for best practice sharing, collaboration has not been appropriate for the Service's 2020 equal pay audit.

**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:**

The Authority's annual Pay Policy Statement sets out its position regarding equality, fairness, and transparency.

Undertaking an equal pay audit demonstrates the Service's commitment as an employer to remove unfair pay practices.

Whilst both gender pay and equal pay deal with the disparity of pay women receive within the workplace, it is important to note that the gender pay gap is different to equal pay.

The gender pay gap examines the difference in the average earnings of men and women, irrespective of role or seniority. It captures any pay differences between men and women on a broader level and is not unlawful. The Service recognises the business benefit of ensuring it attracts, retains, and rewards the right calibre of individuals, and is committed to reducing its gender pay gap.

Equal pay is the legal requirement for men and women to be paid the same for undertaking the same or similar work or work of equal value. It applies to all contractual terms, not just pay, and requires all elements to be equal.

An equal pay audit ensures employees are not paid differently for doing the same or similar work, and this on its own, does not prevent a gender pay gap. Employers can have an effective equal pay policy and still have a gender pay gap, this is often due to having more men in senior and highly paid positions and women in lower paid and part-time roles.

#### **Consultation and communication:**

Appropriate changes to processes, procedures and working practices will be implemented to drive improvements.

Recommendations identified within the equal pay audit, and as detailed within the action plan will be worked on with key stakeholders throughout 2021/22.

Effective communication and consultation with employees, staff representatives and managers are key components to the successful implementation of change. Every effort will be made to ensure individuals are fully involved and their feedback captured and considered during any process.

#### **Background papers:**

[24 March 2021: Executive Committee report](#) - Gender Pay Gap Report 2020

[17 February 2021: Fire Authority report](#) – Pay Policy Principles and Statement 2021/22

[30 July 2014: Executive Committee report](#) - Review of pay, grading, and terms and conditions for staff covered by the Buckinghamshire and Milton Keynes Fire Authority, Support Services Staff, Scheme of Conditions of Service

[The Equality Act 2010](#)

[Equalities and Human Rights Commission](#)

[Statutory Code of Practice on equal pay](#)

[ACAS: Equal pay](#)

Appendix	Title	Protective Marking
1	Recommendations for action	

Part C: Equal Pay Audit detailed the summary of findings and recommendations concerning the pay for Support Services and Operational employees. All recommendations have been considered, as detailed below, and in the interest of efficiency and to avoid duplication, some issues have been combined.

Issue	Consideration	Recommendation	Owner	Update / Target completion
Pay and grading structure  <b>Support Services</b>	<p>The current pay and grading structure is transparent and appropriate. Grades are based on the Hay reference levels and as such provide a robust and defensible base</p> <p>The span of grades are narrow, with the pay difference between the minimum to maximum small. Therefore, there is little variance in pay</p> <p>The grades do not overlap, which eliminates the potential for ‘work related as equivalent’ claims</p>	Whilst the current pay and grading structure is fit for purpose, Scale A currently refers to the National Minimum Wage, which is no longer used by the Service, and therefore should be removed	Finance & Assets	Q2 21/22
Exempt pay point	The current pay and grading structure is transparent and appropriate, and grades	The risk could be eliminated by removing the protected pay rates, either through marked time protection or buy-out payment.	HR	Subject to regular review

<p><b>Support Services</b></p>	<p>are based on Hay reference levels which provide a robust and defensible base</p> <p>The pay and grading structure was updated September 2014 and moved from nine to 15 grades. Each grade consists of two pay points described as development and competent. A legacy from moving to the new pay structure is that the nine (those in the old structure) have a third point, now classified as exempt, and slightly above the competent pay point</p> <p>The exempt pay point can be considered a protected rate of pay, and as this is not time bound, could be used as comparators in equal pay claims. As of July 2021, there are 23 employees on the exempt pay point.</p> <p>Whilst the numbers on the exempt pay point has reduced, there remains an</p>	<p>However, as employees have been on this exempt level since 2014, and the numbers within this group continue to decrease, it is recommended the exempt pay point remains</p> <p>The exempt pay point will continue to be protected, not available to new employees, and those protected employees moving internally voluntarily, or whose posts are evaluated to a different grade will move to the development or competent pay points. The exempt pay point will then disappear over time through natural processes. This is as agreed in the report submitted to the Executive Committee on 30 July 2014</p>		
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	additional annual cost to the Service of £20,412 per annum.			
Fleet management pay structure  <b>Support Services</b>	Fleet Management has their own grade structure that sits alongside the main Support Services pay structure and outside of the Hay reference points  In addition to base salary, employees receive a number of additional allowances, including a market supplement, tool allowance and two hours guaranteed overtime	Work with key stakeholder to undertake a review of the Fleet pay structure and for this work to include: <ul style="list-style-type: none"> <li>• Review all role profiles</li> <li>• Undertake the Hay job evaluation process</li> <li>• Determine local market comparators</li> </ul> Following consultation with affected employees, integrate Fleet management structure into the Support Services pay scales. Review market supplement guidance and make amendments if necessary	HR	Q4 21/22
Allowances  <b>Support Services</b>	There are a number of allowances paid, some of which have been in place for a number of years. These arrangements should be reviewed to; determine whether they remain necessary; what the risk are of removing them; whether the amounts are accurate; could they be paid differently, i.e. part of base pay	1) Guaranteed overtime: Investigate the arrangement for guaranteed overtime to determine if there is a genuine operational requirement for these additional hours  2) Mess allowance: Review the allowance currently paid to compensate for an employee's time to purchase consumables for	HR	Q4 21/22

		<p>Headquarters employees (milk, tea and coffee), which employees contribute toward in order to fund the 'tea-boat'</p> <p>3) Standby allowance: Review the allowances paid to ensure continued requirements and they still represent a proportionate means to achieving a legitimate aim</p>		
<p>Pay elements</p> <p><b><i>Operational employees</i></b></p>	<p>There are a significant number of pay elements for operational employees, some of which are unclear as to what the payment is for</p> <p>Specific pay elements highlighted are:</p> <ol style="list-style-type: none"> <li>1. Detection Identification and Monitoring (DIM) payments</li> <li>2. Principal Officer allowance</li> <li>3. Housing allowance</li> </ol>	<p>Working with key stakeholders, review all pay elements to determine whether there is a genuine operational requirement for this element and any payment is a proportionate means to achieve a legitimate aim</p> <p>Ensure each pay element has been through the correct governance process and legitimately established, i.e. appropriate approval, the correct pension scheme has been applied, selection is open and transparent and the process is clearly communicated to employees to ensure consistency</p>	Service Delivery	Q4 21/22

Overtime  <b>Support Services &amp; Operational</b>	Overtime at plain time	Investigate why some fulltime employees received overtime at plain time	HR	Q2 21/22
Flexible working  <b>Support Services</b>	The Covid-19 pandemic has demonstrated organisations can work more flexibly, away from the traditional nine to five model. As the Fire Service operates a 24/7 service, greater levels of flexibility in working patterns could be explored and not just seen as an employee benefit, but as a way forward for the Service to meet its strategic goals in a challenging and changing working environment. Developing flexible working with a business focus could benefit both the employer and employee	<p>Define requirements and determine how workforce agility can contribute to overall Service objectives and how this generates value for both the Service and employee. Exploring:</p> <ul style="list-style-type: none"> <li>• Varied working hours</li> <li>• Working patterns</li> <li>• Voluntary reduced hours</li> <li>• Regular homeworking</li> </ul> <p>Review and update the Flexible Working procedure and draft any new procedures following this piece of work</p>	HR	Q3 21/22

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# Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Overview & Audit Committee – 21 July 2021

**Report title:** Apprenticeship Programme – Annual Statutory Reporting 2020-2021

**Lead Member:** Councillor Steven Lambert - People, Equality and Diversity and Assurance

**Report sponsor:** Calum Bell – Head of Protection, Assurance and Development

**Author and contact:** Dave Whitelock - Station Commander

[dwhitelock@bucksfire.gov.uk](mailto:dwhitelock@bucksfire.gov.uk)

**Action:** Decision

**Recommendations:** It is recommended that:

The Authority's annual return – attached as Appendix 2 – be endorsed for submission to the Department for Education, and for publication on the Authority's website.

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## Executive summary:

This report sets out the Buckinghamshire and Milton Keynes Fire Authority (the Authority) annual statutory report on the public sector apprenticeship target for the year ending 31 March 2021, for member endorsement.

As part of the Government's Apprenticeships Reform agenda, a public sector target was introduced in 2017 whereby organisations in England must meet a minimum of 2.3 per cent apprenticeship new starts each year, based on employee headcount. For the Authority this equates to approximately 11 per year.

The Authority is a qualifying organisation within the scope of the public sector target and is therefore required to provide an annual report to the Department for Education (DfE), detailing its progress towards achieving the target. The 2020 / 21 report is set out in Appendix 1. It is also a requirement for the Authority to publish the information.

The current target period for annual reporting is from 1 April 2017 to 31 March 2021 and the deadline for returns is the 30 September each year.

For the period of 1 April 2020 – 31 March 2021 the Authority have exceeded their target with 21 new apprentice starts.

- 20 Operational Fire Fighters
- 1 Coaching Professional, Level 5

Appendix 1 states that qualifying organisations will be measured on average over the annual reporting period of 1 April 2017 to 31 March 2021. With our previous employment statistics and our current workforce planning the Authority will exceed its required target for this reporting period with an average of 4.5% per year.

**Financial implications:**

There are no direct costs implications attached to the production and submission of this information.

The Apprenticeship levy was introduced in April 2017 for all employers that have an annual PAYE bill of £3 million per annum or more and employ over 250 staff. The employer's payment is set at 0.5% of their annual payroll and will include a £15,000 annual allowance. The Authority current pays approximately £68,000 per year into the levy which the government tops up by 10% making a total of £74,800.

The Authority is able to draw down on this levy for those employees who are currently undertaking apprenticeships to assist with their own development and to also enhance the skills within the organisation.

If the levy fund becomes depleted the Authority will enter into a co-investment with the government. The co-investment rate changed for new apprenticeships starting on or after 1 April 2019. The Authority pay 5% towards the cost of apprenticeship training. The government pay the rest (95%) up to the funding band maximum.

**Risk management:**

There is an ongoing risk that the Authority might not meet the annual 2.3 per cent target for new apprentice starts set by the Government

This risk is mitigated through effective workforce planning, and the Authority's continued commitment to using apprenticeships as part of its blended approach to refreshing and retaining its workforce.

The Apprenticeship Programme is continually monitored through regular updates to the Authority and internal governance boards.

The awarding body accredits the programme and yearly audits are undertaken by their representatives to ensure the required standards are being met.

The apprenticeship training provider is audited by Ofsted to ensure compliance with funding regulations.

**Legal implications:**

The recommendations meet and exceed the requirements of the statutory guidance.

**Privacy and security implications:**

Consideration has been given to any potential privacy issues or security implications from the data contained within this report and none have been identified.

**Duty to collaborate:**

The Authority continues to work with its Thames Valley fire service partners to determine options for a collaborative approach to operational apprenticeship recruitment. This includes looking at improving diversity and working together to resolve common issues.

In the past, career's fairs have been targeted with a collaborative approach being taken between ourselves and Thames Valley Police. These have included the WorldSkillsUK event at the NEC and also the National Apprenticeship show at the Milton Keynes arena. We have also utilised the assistance of the National Fire Chiefs Council (NFCC) with the organising and their attendance at the WorldSkillsUK. Due to Covid restrictions these have not taken place within this last year, however moving forward these opportunities will be revisited.

**Health and safety implications:**

There are no Health and Safety implications.

**Environmental implications:**

There are no Environmental implications.

**Equality, diversity, and inclusion implications:**

The Authority continues to explore ways in which to improve the diversity of its workforce and to reduce the average age of the operational workforce.

Workforce diversity is an ongoing priority. Building on the successes to date with our apprenticeship programme, and utilising the national On Call awareness campaign material, our aims are:

- To increase awareness through TV collaboration work and joined up resourcing;
- Existing workforce who already interact with the local community being utilised to promote the service we deliver and being supported by our ED&I ambassadors;
- The continuation of identifying role models within the organisation who can promote the values, commitment to diversity and our employment propositions e.g. we have a national diversity ambassador.

The Authority endorsed the submission of a pledge and were the first Fire and Rescue Service to be accepted by the Apprenticeship Diversity Champions Network (ADCN) in February 2018. The Authority were given the opportunity to be quoted within the 2019 ADCN report, and asked to showcase us as exemplars within this group and we continue to be active members thereof. This group's activities have been limited this year due to Covid restrictions. However, moving forward this will again become part of our business as usual and attraction and engagement strategy.

The Authority's innovative apprenticeship programme provides an excellent opportunity to improve the diversity make-up of the Authority and supports and endorses delivery of BFRS' Equality and Diversity Objectives 2020-2025.

#### **Consultation and communication:**

A range of methods are used to communicate on workforce reform across the Authority. Communication is delivered via the Senior Management Team's blog, the Leadership Group, and the intranet. The success of the Authority's apprenticeship programme is showcased internally and externally through virtual visits from other Services and national events.

#### **Background papers:**

The Authority introduced its apprenticeship programme in 2016, ahead of the Government's reform agenda, and this was driven by its workforce plan. Its key areas of focus were:

- How apprentices can be utilised most effectively
- Highlighting the importance of improving the diversity of our workforce
- Offering career development opportunities to our existing employees and increasing the resilience of our workforce.

Report to the Overview and Audit committee held on 22 July 2020: Apprenticeship Programme – Annual Statutory Reporting 2019/20

<https://bucksfire.gov.uk/documents/2020/07/item-17-apprenticeship-programme-annual-statutory-reporting-2019-20.pdf/>

Report to the Overview and Audit committee held on 17 July 2019: Apprenticeship Programme – Annual Statutory Reporting 2018/19

[https://bucksfire.gov.uk/documents/2020/03/overview\\_and\\_audit\\_committee\\_agenda\\_and\\_reports\\_170719-min-min.pdf/](https://bucksfire.gov.uk/documents/2020/03/overview_and_audit_committee_agenda_and_reports_170719-min-min.pdf/)

Report to the Fire Authority held 13 June 2018: Update on Buckinghamshire & Milton Keynes Fire Authority Apprenticeship Programme

[https://bucksfire.gov.uk/documents/2020/03/130618\\_fire\\_authority\\_agm\\_agenda.pdf/](https://bucksfire.gov.uk/documents/2020/03/130618_fire_authority_agm_agenda.pdf/)

Report to the Fire Authority held 14 February 2018: Apprenticeship Diversity Champions Network

[https://bucksfire.gov.uk/documents/2020/03/140218\\_fire\\_authority\\_agenda.pdf/](https://bucksfire.gov.uk/documents/2020/03/140218_fire_authority_agenda.pdf/)

Report to the Fire Authority held 18 October 2017; Update on Buckinghamshire and Milton Keynes Fire Authority Apprenticeship Programme

[https://bucksfire.gov.uk/documents/2020/03/181017\\_fire\\_authority\\_agenda\\_part2.pdf/](https://bucksfire.gov.uk/documents/2020/03/181017_fire_authority_agenda_part2.pdf/)

Overview & Audit Committee, 21 July 2021 | Item 15 Apprenticeship Programme – Annual Statutory Reporting 2020 - 2021

Report to the Executive Committee held 29 July 2015:

Apprenticeship Scheme

[https://bucksfire.gov.uk/documents/2020/03/2990715\\_exec\\_committee\\_papers.pdf](https://bucksfire.gov.uk/documents/2020/03/2990715_exec_committee_papers.pdf)  
/

Appendix	Title	Protective Marking
1	Government Guidance – Meeting the Public Sector Apprenticeship Target	
2	Data Publication and Apprenticeship Activity Return 30 September 2021	

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Department  
for Education

# Meeting the Public Sector Apprenticeship Target

**Statutory guidance for bodies in scope of  
the Public Sector Apprenticeship Target**

**September 2020**

# Contents

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# Summary

## About this guidance

This is statutory guidance from the Department for Education which accompanies the regulations bringing into effect the Public Sector Apprenticeship Target. Public bodies within scope of those regulations should have regard to this guidance when considering how they have regard to the target and how they report their progress towards meeting the target.

## What legislation does this guidance refer to?

This guidance refers to 'The Public Sector Apprenticeship Targets Regulations 2017' which were made under powers conferred by the Apprenticeships, Skills, Children and Learning Act 2009.

This guidance has been updated to reflect amendments made to these Regulations by the Apprenticeships (Miscellaneous Provisions) Regulations 2017, which come into force on 31 March 2018.

## Who is this guidance for?

This guidance is for:

- All public bodies in scope of the target; with a few exceptions, all public bodies with 250 or more staff in England as of 31 March in each of 2017, 2018, 2019 and 2020 are within scope.
- This includes schools, local authorities, central government and arms-length bodies, NHS organisations, the armed forces, and emergency services, together with anyone else who may be in scope of the target.

## Main points

- Public sector bodies in scope of the target should appropriately demonstrate in their returns that they have had regard to the target.
- Public sector bodies should provide their returns in line with the reporting arrangements described in this guidance.

## Having regard to the target

Prescribed groups and public sector bodies with 250 or more staff in England have a target to employ an average of at least 2.3% of their staff as new apprentice starts over the period of 1 April 2017 to 31 March 2021. Bodies in scope must have regard to the target.

The Government considers the duty to ‘have regard’ to the target to mean that, in making workforce planning decisions, public bodies should actively consider apprenticeships, either for new recruits or as part of career development for existing staff. Apprentices are only considered as ‘new apprentices’ who will count towards the target, in the year in which they begin their apprenticeship.

Public bodies should use the Apprenticeship Activity Return (see pages 8-9) to explain how they have had regard to the target. This may include describing actions they have taken to challenge obstacles preventing them from meeting the target, for example:

- a relevant framework or standard is not currently available but the organisation has been involved in developing new standards and has plans for individuals to start on these;
- an organisation has a large number of part time workers whose Full Time Equivalent (FTE) makes it difficult to meet the numbers of apprentices needed and/or due to the number of hours they work are not eligible for apprenticeships. However the employer is taking steps to employ apprenticeships within those roles which are eligible for them. They are also permitted to report FTE alongside headcount in their Data Publication return (see page 7).

The Government would also encourage public bodies that are looking to establish further apprenticeship standards to engage with the Institute for Apprenticeships to establish these.

## Grouped Bodies

Following consultation two groups have been prescribed in the regulations for the purpose of responding to the target. The bodies in these groups are collectively in scope – they are set a single target which covers all bodies in their respective group. These groups are ‘Transport for London and its subsidiaries’ and ‘Government Departments and those bodies listed in Schedule 1 of the Public Sector Apprenticeship Targets Regulations 2017’.

There was no clear support in consultation for other groupings. Therefore the target will apply individually to all other bodies in-scope; they will each have an individual apprenticeship target which they must have regard to.

## **What must a public body do to have regard to the target?**

Prescribed groups and in-scope bodies should demonstrate that they have actively considered apprenticeships, either for new recruits or as part of career development for existing staff.

## **Where the target has not been met**

It may be the case that a body believes it has been having regard to the target but yet is failing to meet the target set. As such, all bodies should use the Apprenticeship Activity Return (see pages 8-9) to explain how they have sought to have regard to the target and any factors they feel have hindered their efforts to meet the target. These explanations should be of sufficient detail to evidence the body's actions, in particular by:

- providing evidence which identifies where a body has actively considered apprenticeships, either for new recruits or as part of career development for existing staff;
- identifying where an organisation, in attempting to have regard to the target, has encountered and attempted to overcome challenges in employing apprentices, as outlined in the previous section.

There may also be some circumstances where a body which has not met the target is able to highlight mitigating factors which demonstrate its commitment to apprenticeships, therefore demonstrating that regard has been had to the target. For example:

- an organisation employs a higher proportion of apprentices on two or more year apprenticeship programmes; and,
- an organisation is planning a major recruitment the following year which would bring their average number of apprenticeship starts up to or beyond the target.

## **Interpreting 'ordinarily work' in England**

Regulations identify that an apprentice can only be counted towards the targets if 'they ordinarily work in England.' Whether an apprentice ordinarily works in England is determined by a number of factors, but generally the determining factor is where the apprentice is based. This might be determined by reference to:

- the location in which the apprentice ordinarily starts and ends the day;
- where the apprentice lives.

## Interpreting those in scope

Almost all public bodies with 250 or more staff in England will be in-scope of the target. The number of staff working for a public body is determined by its headcount on 31 March in each of 2017, 2018, 2019 and 2020.

A public body with 250 or more staff working for it on any of those dates will be subject to the target for that coming year.

The primary legislation defines a public body as:

- a public authority or;
- a body or other person that is not a public authority but has functions of a public nature and is funded wholly or partly from public funds.

This is with the specific exception of; the BBC, Channel Four, The House of Commons and House of Lords and the Post Office Ltd., as well as all their associated subsidiaries. Also out of scope of the targets are charities (excluding academy trusts and multi academy trusts), FE colleges, Universities, housing associations, housing trusts, independent schools, and financial bodies which are partly state-owned (such as RBS).

Provided they meet the headcount criteria above, academy trusts and multi academy trusts came within scope from 31 March 2018. These academy trusts were not required to provide an annual return on progress towards the target for apprenticeship starts between 1 April 2017 and 31 March 2018. They were required to do so for the first time from April 2019, for starts between 1 April 2018 and 31 March 2019. They will also be required to complete an annual return on progress for the remaining 2 years of the 2017-2021 reporting period.

Police forces are required to include police officers within their headcount when calculating their target from 31 March 2018.

## Providing returns to the target

Bodies in scope of the target are required to provide an annual return of two parts, detailing amongst other things their progress towards the target, to the Department for Education.

### Content

As established in the primary legislation and the regulations, bodies in scope must provide the information identified below. In response to queries where the Council/Local Authority (LA) is the employer for schools and fire and rescue services, each LA may choose to show the information required for these organisations separately within their Returns.

### Return Section 1 - Data Publication

The Data Publication includes several figures which will enable the Government, the public, and wider stakeholders to understand each body's headcount and the number of apprentices they employ, and then use that information to assess the progress a body has made towards meeting the target.

The information required is:

**Figure A:** The number of employees whose employment in England by the body began in the reporting period in question.

**Figure B:** The number of apprentices who began to work for the body in that period and whose apprenticeship agreements also began in that period.

- This includes employees who were already working for the body before beginning their apprenticeship, as well as new apprentice hires.

**Figure C:** the number of employees employed in England that the body has at the end of that period.

**Figure D:** the number of apprentices who work for the body at the end of that period.

Public bodies are also required to provide two percentages in order to give context to the other figures. These percentages do not reflect the progress a public body has made towards the target:

**Figure E:** Figure B expressed as a percentage of figure A.

**Figure F:** Figure D expressed as a percentage of figure C.

If the public body is in their first reporting period they must also provide:

**Figure G:** The number of apprentices who worked for the body immediately before that period.

In addition, the Apprenticeship Activity Return (Return Section 2) requires public bodies to send the following figures, which will help identify their progress towards meeting the target, to the Department for Education. Public bodies could also consider providing these figures in the Data Publication:

**Figure H:** Headcount on the day before the first day of each reporting period in the target period; and

**Figure I:** Figure B expressed as a percentage of figure H

## Return Section 2 - Apprenticeship Activity Return

The Apprenticeship Activity Return includes both information on a body's progress against the target and information to assess actions taken towards, and challenges faced in, meeting the targets.

The return includes quantitative and qualitative elements:

### Quantitative

- Headcount on the day before the first day of each reporting period in the target period; and
- **Figure B** in Return Section 1 (the number of apprentices who began to work for the body in the reporting period in question and whose apprenticeship agreements also began in that period), expressed as a percentage of headcount on the day before the first day of the reporting period in question.

This will enable the Government to assess the progress a body has made towards meeting the target.

### Qualitative

- Action that the body has taken to meet their apprenticeship target (i.e. how it has 'had regard');
- If their target has not been met then specific further evidence may be required. This may include an explanation of why the target was not met, actions the body has taken to overcome the challenges it has faced and/or mitigating factors which demonstrate the body's commitment to apprenticeships;

- Information about action the body proposes to take to meet their future apprenticeship targets; and
- If the body considers that a future target is not likely to be met, an explanation of why that is so.

In calculating their headcount public bodies should include the following staff, as at 31 March in each year they are in scope:

- those members of staff on the body's payroll, including apprentices, on whose behalf the public body makes National Insurance Contributions. This will include:
  - o permanent members of staff;
  - o members of staff who have a fixed-term contract;
  - o those who work full-time as well as those who work part-time;
- other members of staff who are not described above who have a fixed-term contract;
- staff who are on maternity, paternity or adoption leave;
- staff who are on sick-leave or any other type of extended paid leave;
- apprentices employed by the public body through an Apprenticeship Training Agency (ATA); or
- employees on secondment or loan only if your organisation is paying for the majority (more than 50 per cent) or all of their wages.

They should not include:

- those who are employed through employment agencies;
- those who are working on a zero-hour contract;
- bank staff;
- employees in sub-contracted organisations who are not paid directly from the payroll; or
- those on career breaks.

## Format

Bodies in scope are required to publish the Data Publication. Government is not being prescriptive about where the information should be published but it must be easily accessible to the public, for example on the internal and external facing website of a public sector body in scope. It must also be sent to the Department for Education.

Bodies do not have to publish the Apprenticeship Activity Return. However they must send this information to the Department for Education.

Most bodies will send their Data Publication and Apprenticeship Activity Return to the Department for Education through their Apprenticeship Service account. If you are a levy paying organisation, you should make sure you are registered on the Apprenticeship Service to submit your annual return. If you are unsure how to do this, please contact the National Apprenticeship Service Support Service on 0800 015 0600 (option 1 then option 2) or email [helpdesk@manage-apprenticeships.service.gov.uk](mailto:helpdesk@manage-apprenticeships.service.gov.uk).

The Civil Service, Armed Forces and any non-levy paying organisations will not send their returns through the Apprenticeship Service. We are setting up an electronic mailbox for the receipt of returns from these bodies. For the form to complete and details of where to send it, please contact the National Apprenticeship Service Support Service from April 2018 on 0800 015 0600 (option 1 then option 2) or email [helpdesk@manage-apprenticeships.service.gov.uk](mailto:helpdesk@manage-apprenticeships.service.gov.uk).

## The Target and Reporting Periods

The Target Period is from 1 April 2017 to 31 March 2021. Throughout the Target Period, public bodies must have regard to the target and report their progress towards meeting the target.

However, it is important to note that there may be cases where a public body is not within scope of the target for the entirety of the Target Period. This will be the case if a body's headcount falls below 250 on any of the days on which headcount is determined (i.e. 31 March in 2017, 2018, 2019 and 2020).

For example, if a public body has 250 or more employees on 31 March 2017, but this falls below 250 employees on 31 March 2018, they will no longer be in scope of the target in 2018/19.

The Target Period is divided into four Reporting Periods lasting a year each.

As established in the Regulations, the targets will be measured as an average from 2017/18 to 2020/21. Public bodies must provide their Data Publication and Apprenticeship Activity Return for each of the following Reporting Periods where they are in scope:

- 1 April 2017 to 31 March 2018
- 1 April 2018 to 31 March 2019
- 1 April 2019 to 31 March 2020
- 1 April 2020 to 31 March 2021

As explained above, they may fall in and out of scope during the Target Period if their headcount falls below or meets/rises above 250 people.

Reports for each year in which a public body is in-scope will be due within six months of the end of each Reporting Period. This is known as the Response Period and during this time in-scope each body must publish the Data Publication and send both that and the Apprenticeship Activity Return, to the Department for Education. The deadlines for these returns will be:

- 30 September 2018
- 30 September 2019
- 30 September 2020
- 30 September 2021

As explained above, provided they meet the headcount criteria, academy trusts and multi academy trusts came within scope from 31 March 2018. These academy trusts were not required to provide an annual return on progress towards the target for apprenticeship starts between 1 April 2017 and 31 March 2018. They were required to do so for the first time from April 2019, for starts between 1 April 2018 and 31 March 2019. They will also be required to do complete an annual return on progress for the remaining 2 years of the 2017-2021 reporting period.



Department  
for Education

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# Apprenticeship Programme – Annual Statutory Reporting 2020 - 2021

## Who counts as an employee?

**You should include the following staff when calculating your employee numbers:**

- Anyone on your payroll on whose behalf you make National Insurance contributions
- Staff on fixed-term contracts
- Staff on maternity, paternity or adoption leave
- Staff on sick leave or extended paid leave
- Apprentices employed by the public body through an Apprenticeship Training Agency
- Employees on secondment or loan if you are paying more than 50% of their wages

**Do not include:**

- Anyone employed through employment agencies
- Those working on a zero-hour contract
- Bank staff
- Employees in sub-contracted organisations who are not paid directly from your payroll
- Those on career breaks

**Number of employees who were working in England on 31 March 2020**

465

**Number of employees who were working in England on 31 March 2021**

483

**Number of new employees who started working for you in England between 1 April 2020 to 31 March 2021**

55

# Your Apprentices

## [Who counts as an apprentice?](#)

**You should include the following staff when calculating your apprentice numbers:**

- Anyone doing an approved English apprenticeship framework or standard with an apprenticeship agreement in place

**Number of apprentices who were working in England on 31 March 2020**

30

**Number of apprentices who were working in England on 31 March 2021**

27

**Number of new apprentices in England whose apprenticeship agreements started in between 1 April 2020 to 31 March 2021**

**This includes both new hires and existing employees who started an apprenticeship**

21

## Your full-time equivalents (optional)

### [How to calculate your full-time equivalent numbers](#)

Firstly, work out the number of weekly hours each part-time employee is contracted to work divided by your organisation's standard full-time working week. For example, 10 hours divided by 37 hours equated to 0.27 full-time equivalents.

Then add your full-time employee numbers to come up with a total number of full-time equivalents. Round your total to the nearest whole number.

### Number of full-time equivalents (optional)

## What actions have you taken this year to meet the target? How do these compare to the actions taken in the previous year?

We, Buckinghamshire and Milton Keynes Fire Authority (the Authority) have continued to evolve the enrolment of our operational firefighters, to ensure the apprenticeship programme is fit for purpose and delivers the right people, with the right skills in the right roles. By utilising the Authority's levy, it has enabled new starters to benefit from local terms and conditions and national pay rates which attracts a larger range of applicants and so the employment of the right candidates.

As part of the Authority's strategy for the retention and upskilling of existing staff and to develop future leaders, we have enrolled one member of staff onto an apprenticeship during this reporting period, to develop their professional leadership skills. This also helps raise the profile, embed and mentor apprenticeship programmes within the organisation. We have employed 20 new operational firefighters who were enrolled on to the level three operational firefighter apprenticeship standard.

Various staff have supported the development of apprenticeship standards within their area of competence by providing representation on trailblazer groups albeit via virtual meetings. This develops future networking opportunities for the Authority as well as a greater understanding of the standards being developed.

The Authority continues to deliver its pledge to the Apprenticeship Diversity Champions Network (ADCN). Information, guidance and resources from this network is being used in the attraction, engagement and recruitment of apprentices. These activities have been limited this year due to COVID restrictions.

Throughout the pandemic, we have adapted how we engage with our community to promote apprenticeships with virtual careers talks to local colleges and social media campaigns sharing apprentices 'real life' experiences of their journey. This had a particular focus during National Apprenticeship Week where we promoted the diversity of apprentices within the organisation, highlighting age range and previous work history to inform others that apprenticeships are for everyone.

We continue to review our apprenticeship strategy in line with our workforce planning to ensure that when recruitment opportunities present themselves, that our apprenticeships are part of our blended approach to recruitment.

## What challenges have you faced this year in your efforts to meet the target? How do these compare to the challenges experienced in the previous year?

The lack of registered training providers available locally for Business Fire Safety Apprentices and Community Safety Advisors has meant we have been unable to utilise these apprenticeship Standards.

Although we have recruited and enrolled 20 new operational firefighters COVID-19 has presented the biggest challenge to us throughout this reporting period. It has put a stop to the “have a go days” that we programmed in throughout the year, reduced attendance at career fairs and meant we need to adapt our approach to training these new starts

Alongside the barriers the pandemic has presented, it also provided an opportunity for the Authority and its staff to review the way business as usual has been conducted and evaluate and implement learns to be better prepared for future campaigns. Our apprentices have adapted to working virtually with their respective training providers, which has allowed their progress to continue without the need for a break in learning.

The Authority had planned to have representation at WorldSkillsUK live at the NEC and at the National Apprentice show at the MK Arena but unfortunately both were cancelled due to COVID-19 restrictions.

We have unfortunately had some of our operational firefighter apprentices resign from their programme. The reasons for the resignations were sought to allow the Authority to evaluate any learns and implement changes for future programmes. Work has been undertaken to deliver a complete a robust process of recruitment from advertising through to employment to enable the Authority to recruit the right candidates from our local community.

A further challenge we have found when trying to enrol apprentices is that some training providers are only willing to take on cohorts of apprentices and not being able tailor their delivery to meet the requirements of only one apprentice i.e. project management and learning and development level five.

In addition, the lack of availability of the training provider courses for our operational firefighters based around our own workforce planning and timings.

The Authority is now more experienced and knowledgeable with apprenticeships since taking another cohort of operational firefighters and several support staff members through their End Point Assessment. We have been able to gain from this experience and by having regular engagement with awarding bodies through the NFCC Apprenticeship forum and being involved in the Operational Firefighter Apprenticeship standard review. This has allowed us to impart our apprentices with a more rounded appreciation of this process.

The Authorities aspiration of applying to the Register of Apprentice Training Providers (RoATP) and the appreciation of what is required of us moving forward. With the register only being open at specific times of the year could cause issue with our employment programme. In relation to having to be on RoATP as a supporting provider, allowing us to train our own operational firefighters, as we currently have to put aside training time to convert our staff on return from their respective acquisition course which puts a greater burden on our resources.

## How are you planning to meet the target in future? What will you continue to do or do differently?

NFCC Workforce Committee has set up an Apprenticeships Board to reinforce profile, and to optimise resources to best support FRS's to deliver their plans. The Authority has representation on this committee to ensure our local proposition aligns National developments.

Continuing to work with Emergency Services to deliver joint trailblazers and identify further opportunities for collaboration.

Continuation of the Authority's strategic workforce planning, where apprentices are an integral element of a blended approach to resourcing. This also involves developing career pathways for upskilling existing staff based on the NFCC leadership framework.

Continuing to support apprenticeship trailblazers for sector-relevant standards by providing resources and subject matter experts to the trailblazer groups.

Continued membership of the Apprenticeship Diversity Champions Network, improving networking opportunities, and learning from other members and organisations about ways in which we could improve the diversity of our apprentices and, therefore, our workforce.

Optimising the use of national resources to promote apprenticeship careers.

Building relationships with local training providers and other FRS's to develop new opportunities for new starters and existing members of staff to promote and deliver best practice.

Reviewing Apprenticeship options for On-Call employees and how they can meet the apprenticeship criteria to helping us attract and retaining On-Call FF's albeit aspirational at this time

Promotion of our apprenticeship programmes through National Apprentice week, social media campaigns and local events to attract our apprentices of the future, this will also help break down previous challenges and myths. Once COVID restrictions are suitably lifted the continuation of frequent "have a go days" to promote the operational firefighter role to include the targeting of specific groups. Utilising our station crews to champion apprenticeship programmes throughout the service when they carry out visits to include engagement sessions with local colleges that run emergency services courses.

## Do you have anything else you want to tell us? (optional)

With current and previous apprentices now embedded across departments and fire stations within the Authority this has enabled a culture change allowing experience to be shared and also serving firefighters to become mentors for those new apprentices.

The Authority will be exploring the possibility of signing up to the Register of Apprenticeship Training Providers (RoATP) as a supporting provider as this will enable us to deliver training to our own staff. It is also always encouraging that the National Apprenticeship service is open and available to discuss opportunities at the NFCC Apprenticeship forums.

We will be exploring the exciting work that Devon & Somerset continue to do with the delivery of On-Call firefighter apprenticeships and looking to see how we can utilise this model for our future On-Call staff giving us the ability to standardise the training and development offered to all new firefighter recruits regardless of contract this is also something that we would be interested in delivering to our Flexi-Firefighters.

The Authority continues to work with its Thames Valley Fire Service partners to determine options for a collaborative approach to operational apprenticeship recruitment. This includes looking at improving diversity and working together to resolve common issues. Specific actions were identified, both internally and through this collaborative work, to improve the diversity of applicants, primarily from both female and BAME candidates. These actions include awareness campaigns, 'have a go days' and allocation of 'recruitment buddies'.

We continue to champion the work we have completed with our apprenticeship programme to support other services and to share best practice, this will also include embedding the NFCC leadership and development framework into our apprenticeships.

Cadet courses and T- Levels are areas that will be looked at as a source for future apprentices within the organisation.

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# Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Overview and Audit Committee, 21 July 2021

**Report title:** Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) – Buckinghamshire Fire and Rescue Service (BFRS) Improvement Plan Update

**Lead Member:** Councillor Lesley Clarke OBE

**Report sponsor:** Deputy Chief Fire Officer Mick Osborne

**Author and contact:** Area Commander Simon Tuffley

[stuffley@bucksfire.gov.uk](mailto:stuffley@bucksfire.gov.uk) 07766781389

**Action:** Noting

**Recommendations:** That the Committee note current progress against the HMICFRS - BFRS improvement plan.

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## Executive summary:

Following completion of the first inspection round of all 45 fire and rescue services, HMICFRS published the report into Buckinghamshire Fire & Rescue Service on 17 December 2019, as part of the final tranche of reports.

An improvement plan (Appendix 1) is in place to specifically progress the report recommendations and identified areas for improvement. At the meeting of the Authority on the 12 February 2020, it was agreed that progress against this plan will be reported to the Overview and Audit committee.

On the 18 March 2020, HMICFRS confirmed suspension of all their inspections of police and fire and rescue services, because of the COVID-19 pandemic.

Following a commission by the Home Secretary in the Summer of 2020, HMICFRS announced a national review of fire and rescue service COVID-19 preparations. BFRS received the inspection team for a COVID-19 inspection during November 2020.

The results of our COVID-19 inspection were published on 22 January 2021, where HMICFRS concluded that BFRS “responded well during the pandemic and provided additional support to its community. It used wholtime and on-call firefighters to respond to emergencies. Staff supported the Service’s partners, especially the local ambulance trust. This meant the people of Buckinghamshire were well supported through the pandemic.”

The second round of inspections of all 44 (since Hampshire and Isle of Wight merged in 2021) fire and rescue services has now recommenced and BFRS is being inspected again as part of the Tranche one schedule, with our inspection taking place between 24 May 2021 and 9 July 2021.

Through the efforts of all our staff we continue make progress against the items in the current improvement plan and look forward to considering the findings of our latest inspection, which are to be published in the Autumn of 2021.

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### **Financial implications:**

FRSs are not funded for the preparation for, resource implications of, HMICFRS inspections, nor is the Service charged. The inspections are funded directly by the Home Office. The Police are top sliced from their Government grants to fund the HMICFRS inspections of Police Forces. There has been no indication yet that this might be a future funding model for the inspection of FRSs.

### **Risk management:**

There remain reputational corporate risks to the organisation should we be judged as inadequate. 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, our operations have been subject to external independent assurance. Our Health, Safety and Wellbeing function has been independently audited by the Royal Society for the Prevention of Accidents and received a Gold Award.

### **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 respective strands of the improvement plan have undergone Data Protection Impact Screening and full impact assessments have been completed and reviewed where appropriate.

The report and its appendices are not protectively marked.

**Duty to collaborate:**

Each fire and rescue service is inspected individually.

Officers have developed our approach to inspection with other FRS partners, and with 'peer' support from Thames Valley and Gloucestershire Police Forces.

**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:**

Progress against our Equality, Diversity and Inclusion objectives are included within the updated improvement plan.

**Consultation and communication:**

Specific areas for Service improvement have been identified through a number of workshops and working groups. These are being captured in relevant plans and will be reported on in the usual way, ultimately to the Overview and Audit Committee.

**Background papers:**

14 February 2018 Fire Authority meeting (see pages 131 – 162): Our preparation plans together with our response to HMICFRS' consultation on the inspection methodology

[https://bucksfire.gov.uk/documents/2020/03/140218\\_fire\\_authority\\_agenda.pdf/](https://bucksfire.gov.uk/documents/2020/03/140218_fire_authority_agenda.pdf/)

14 November 2018 O & A preparation update (see pages 185-192):

[https://bucksfire.gov.uk/documents/2020/03/overview\\_and\\_audit\\_committee\\_agenda\\_and\\_reports\\_141118-min.pdf/](https://bucksfire.gov.uk/documents/2020/03/overview_and_audit_committee_agenda_and_reports_141118-min.pdf/)

13 February 2019 – Fire Authority preparation update (see pages 155-244):

[https://bucksfire.gov.uk/documents/2020/03/130219\\_fire\\_authority\\_agenda.pdf/](https://bucksfire.gov.uk/documents/2020/03/130219_fire_authority_agenda.pdf/)

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/](https://bucksfire.gov.uk/documents/2020/03/230120_item_7_hmicfrs_cover_report_23012020_appendix-min.pdf/)

12 February 2020 - HMICFRS Inspection Findings Report – Action Plan:

[https://bucksfire.gov.uk/documents/2020/03/120220\\_item12\\_hmicfrs\\_inspection\\_findings.pdf/](https://bucksfire.gov.uk/documents/2020/03/120220_item12_hmicfrs_inspection_findings.pdf/)

22 July 2020- Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) – Buckinghamshire Fire and Rescue Service (BFRS) Improvement Plan Update <https://bucksfire.gov.uk/documents/2020/07/item-18-hmicfrs-bfrs-inspection-improvement-plan.pdf/>

11 November 2020 - Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) –Buckinghamshire Fire and Rescue Service(BFRS) Improvement Plan Update <https://bucksfire.gov.uk/documents/2020/11/item-11-hmicfrs-improvement-plan.pdf/>

Appendix	Title	Protective Marking
1	HMICFRS INSPECTION REPORT – IMPROVEMENT PLAN Updated 28 May 2021	Not protectively marked



Overview and Audit Committee 21 July 2021

Appendix 1

Report Reference	Inspection Pillar	HMICFRS inspection report item	Improvement Activity	R/A/G
Page 11	Prevention – Area for improvement	The service should evaluate its prevention work, so it understands the benefits better.	<p>An evaluation of the prevention activity commenced in July 2020. The evaluation uses a diagnostic methodology developed from academic research and with colleagues from Manchester University. The approach uses the Viable Systems Methodology, which has been adapted for the Service's purposes and forms the basis of the evaluative approach.</p> <p>The evaluation has been separated by work-stream to enable a more focussed and pragmatic approach. The initial phase included Fire and Wellness visits, Road Safety, Youth Engagement and Safeguarding with the completion of the remaining phase of the evaluation being placed on hold to facilitate work on Covid.</p> <p>An evaluation of the behaviour change brought about by Fire &amp; Wellness visits has been completed and is being used to inform a targeted program of knowledge acquisition for operational staff.</p> <p>Service delivery area profiles have been developed and launched to all nine service delivery areas. These documents provide information on community risk and incident demands/trends.</p> <p>Benchmarking reports have been developed to assist in the comparison between Service areas and the national statistical data.</p> <p>Objectives are now being developed to address priority Prevention objectives bespoke to Service area requirements.</p>	A



Overview and Audit Committee 21 July 2021

Appendix 1

Page 11	Prevention - Area for improvement	<p>The service should understand the reasons for its reducing number of prevention visits and consider how it can better target those who are most at risk to fire.</p>	<p>An increased shift to referral-led Prevention visits has been implemented from April 2019 to utilise Service resources more effectively.</p> <p>A successful recruitment campaign has been undertaken within the administration team which has seen the three administration teams back to full establishment; the administration teams are responsible for screening and booking Fire and Wellness visits, and were previously under-established, affecting the ability to book visits.</p> <p>Funding agreed by the Authority to establish a number of new Prevention posts is helping to oversee and deliver Fire &amp; Wellness visits in specific buildings. This additional capacity will address the volume of Prevention visits in identified areas of increased risk, including the delivery of a program of high-rise interventions and engagement with the occupants of specialised housing. These new posts have been filled with a CS Team Leader and two CS Technician roles alongside an onboarding program of relevant training.</p> <p>Planning meetings linked to the first phase of the Prevention evaluation are now integral to driving the Prevention agenda forward, addressing evaluation findings, scrutinising all staff workstreams and the capacity to deliver.</p> <p>Post-incident intervention is being reinvigorated through input on the revised procedure supported by adjustment to processes which enable this activity to be more effectively recorded in our Premises Risk Management System (PRMS).</p>	G
Page 14	Protection - Area for improvement	<p>The service should ensure it allocates enough resources to a prioritised and risk-</p>	<p>Following the Fire Authority's approval of a significant Protection growth bid at the February 2020 Fire Authority meeting, we have now recruited into all the posts including a newly created apprentice fire safety role. There was one exception, which was recruiting into the High Risk Residential Building Manager</p>	



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		<p>based inspection programme.</p>	<p>(HRRB) role. This is due to the essential criteria for specific technical qualifications.</p> <p>Due to these additional challenges, we undertook a review of the department structure to ensure the required resources are available in the correct locations, based on the risk profile for each area. This resulted in the creation of lead teams and references in specialist areas, such as: enforcement and prosecution; specialised housing; and High-Risk Residential Buildings (HRRB).</p> <p>Three of the new posts have been filled with support staff, and those not currently fully qualified and competent have received significant investment and are nearing completion of their training and probationary periods.</p> <p>The fourth (manager) post has been redesignated through internal role movements as an operational Station Commander post. Fulfilling this post with a suitably qualified and experienced manager and increasing the out of hours Protection cover for undertaking emergency enforcement action and responding to operational incidents, where a Protection officer can add specialist advice and support.</p> <p>The HRRB team are focussing on the delivery of the Building Risk Review Programme (BRRP) and supporting the review and development of a new Risk Based Inspection Programme (RBIP) methodology.</p> <p>Due to the global pandemic, the development of the new RBIP methodology and its piloting has been delayed and should go ahead from 1 June 2021.</p> <p>A range of approaches will be developed to engage with those premises that aren't deemed as the highest risk. This will include business engagement, workshops/ seminars, and response crew thematic reviews.</p>	<p>G</p>
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Page 14	Protection - Area for improvement	The service should review its response to false alarms to ensure operational resources are used effectively (termed 'unwanted fire signals').	<p>An evaluation of the policy on Automatic Fire Alarms (AFAs) commenced in July 2020, as part of a collaborative project with Oxfordshire and Royal Berkshire fire and rescue services. Due to COVID-19 pressures, the three-service approach has been paused, however work in this Service continues. The evaluation uses a diagnostic methodology developed from academic research and with colleagues from Manchester University. The approach uses a methodology, which has been adapted for the Service's purposes and forms the basis of the evaluative approach.</p> <p>The evaluation is considering two linked areas, response to AFAs and Unwanted Fire Signals (UwFSs).</p> <p>Data analysis continues to identify the cost and value to all stakeholders, from BFRS attending all AFAs. On completion of this evaluation, an options paper will be taken to the Fire Authority for decision.</p> <p>The current UwFS Officer post and processes are undergoing evaluation to inform options going forward, as we recognise some early initial benefits and that the rate of reductions in UwFSs have levelled out over recent years.</p> <p>Response crews are to undergo Protection training, which will improve their knowledge of the built environment and expectations of basic fire safety measures and management. This will also enable them to undertake fire safety engagement and thematic activities at simple and lower risk premises. Although these lower-level activities will not be counted as audits for the purposes of reporting to the Home Office, they will assist in identifying non-compliance, improving knowledge and keeping people safe.</p>	A



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Page 14	Protection - Area for improvement	<p>The service should ensure it works with local businesses and large organisations to share information and expectations on compliance with fire safety regulations.</p>	<p>Capacity to deliver proactive engagement activity has been limited due to vacancies in an already small Protection department. These posts have now been filled and training up to Level 4 Diploma accreditation is currently underway.</p> <p>The creation of additional posts enables the increased capacity to focus work on targeted engagement of lower risk premises that may not be included within a refreshed Risk Based Inspection Programme (RBIP).</p> <p>Utilising Home Office Grant funding has enabled us to engage a number of individuals on fixed term contracts to focus on business engagement.</p> <p>Activity has significantly increased in this area, in a time where physical engagement has been severely restricted. Website and Social Media activity, press releases, radio interviews, Milton Keynes Open University induction programme, Care Home virtual seminar (planned for 23 June 2021), including OFRS and RBFRS.</p> <p>Web site development is underway, to consider a number of planned activities:</p> <ul style="list-style-type: none"> <li>• Self-Assessment form to target lower risk premises.</li> <li>• An app/ web-based alert system, or other means of sharing alerts with people and businesses who have signed up to receive alerts from us, relevant to their interest or work sector.</li> <li>• A range of forms that the public could use to make referrals for community or business fire safety advice and support. This could include a tool for people in high-rise flats who wish to raise concerns about the way the flats are being run by the management company from a fire safety point of view but are not sure how to do so.</li> </ul>	A
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			<ul style="list-style-type: none"> <li>• A means of receiving information from Responsible Persons for High Rise residential premises, as detailed in the Grenfell Tower Phase 1 recommendations.</li> </ul>	
Page 16	Response – Area for Improvement	The service should ensure it has a sustainable system to provide its operational response model.	<p>Following a review of the resourcing model, the Service has commenced work to further improve availability of appliances and disposition of staff. The introduction of new on-call contracts has led to a new employment proposition for staff, which in turn provides greater resilience and opportunity.</p> <p>Total staffing numbers remain low, and the review has identified a range of areas in which efficiency can be improved. These efficiencies are supported by the introduction of 20 additional firefighters to the establishment following successful growth bids in 2020.</p> <p>The Resource Management Team is currently being re-structured to provide more capacity within the team. This re-structure will result in future efficiencies in how the department resources fire appliances. The focus will be on Fire Service Rota (FSR) development and predicting and planning effectively for shortages.</p> <p>Integration between FSR and Vision is nearing completion. From June/July 2021 this project will enable on-call fire fighters to make themselves available for not only their closest appliance providing immediate cover, but also other appliances on a second and third-line availability basis.</p>	G
Page 16	Response – Area for Improvement	The service should improve the availability of its on-	A revised approach to On-Call awareness sessions has been created and delivered online (virtual) on three occasions now. This has seen an increase in new applications.	



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		call fire engines to respond to incidents.	<p>A new On-Call Contract was introduced in 2018 which created four availability options. This ranged from immediate response through 20mins, 60mins and 3-hour response to mobilising.</p> <p>A new resource management system (FSR - Fire Service Rota) was introduced and the resilience availability options are being developed into the system. The strategic resourcing model identifies three On-Call appliances with up-to 10 minute mobilisation availability.</p>	A
Page 23	Efficiency – Recommendation	Ensure it has the capacity and capability to support its activity in its public safety plan;	<p>Officers adopted a zero-based budget approach when developing the budget proposal for 2020/21. This approach has been developed alongside the new Public Safety Plan and feedback from our recent inspection report from HMICFRS.</p> <p>Although our report noted that the Inspectorate “would like to see improvements in the year ahead, but without increased funding, it is difficult to see where progress can be made” the zero-based budget approach has identified some key opportunities within the current budgetary constraints:</p> <ul style="list-style-type: none"> <li>Increasing the wholetime establishment by up to 20 firefighters in 2020/21, with the potential to increase by a further 10 in the following year (depending on the outcome of the comprehensive spending review)</li> <li>Increasing the Protection team by 4 FTEs and introducing a Team Leader role and two further FTEs into the Prevention team.</li> <li>Introducing a Head of Technology, Transformation and Portfolio Management Office (PMO) to manage the actions required following our inspection report.</li> </ul>	A



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Page 23	Efficiency – Recommendation	Consult with the people of Buckinghamshire and Milton Keynes on options to have the most effective and efficient response against the financial environment in which it operates.	<p>The 2020-2025 Public Safety Plan (PSP) was approved for public consultation at the Authority's 18 September 2019 meeting. The consultation was open for an eight-week period from 23 September to 18 November 2019.</p> <p>The plan has since been approved and came into effect from April 1<sup>st</sup> 2020</p> <p>Officers will proceed with the further development of the strategy proposals set out in the PSP having regard to the consultation feedback as they are progressed and to undertake further consultations with stakeholders potentially affected by any specific changes arising from their implementation.</p>	G
Page 25	Efficiency – Area for Improvement	The service should use sound financial management to ensure all additional costs such as pension liability are accounted for and that there is a contingency plan.	<p>The zero-based budgeting approach adopted for 2020/21 reviewed all costs to ensure that the right amount of money is being spent in the right places.</p> <p>The Medium-Term Financial Plan (MTFP) for 2020/21 to 2024/25 shows two scenarios, one with the continuation of the pension grant funding and the other showing the impact if it were to cease after 2020/21.</p> <p>Following approval of the PSP a Financial Strategy has been developed, this was considered by the Executive Committee in November 2020 and approved by the Fire Authority in December 2020. The strategy included the development of alternative scenarios and contingency plans and further addressed the two efficiency recommendations shown above.</p>	A
Page 31	People –Area for Improvement	The service should put in place an achievable succession plan, for the whole organisation.	Regular systematic and rigorous strategic workforce and succession planning processes are in place, which incorporate current Public Safety Plan requirements and horizon scanning of likely future external and internal challenges.	



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			<p>Outcomes from these processes are subsequently translated into timely interventions to ensure the Authority continues to meet workforce capacity requirements and build capability.</p> <p>In addition, it provides opportunity to refresh the workforce through the identification of people; internally and where required externally to fill identified key positions.</p>	G
Page 33	People – Area for Improvement	The service should plan to be more ambitious in its efforts to attract a more diverse workforce which better reflects the community it serves.	<p>The Equality, Diversity and Inclusion (EDI) group is well established. They meet monthly to progress the 6-, 12- and 18-month objectives.</p> <p>The EDI objectives 2020 -2025 are being presented to the Fire Authority on 16 June 2021, having previously been approved at Performance Monitoring Board and Strategic Management Board. The objectives provide an update on progress to date, EDI headlines of workstreams and EDI workforce data.</p> <p>The tangible objectives have been reviewed and extended to 24 months from 18 months, to reflect the amount of work being carried out in regard to EDI. The EDI objectives are reflective of HMICFRS recommendations and the refreshed corporate plan.</p> <p>The Recruitment Oversight Board meets on a regular basis, where stakeholders from across the service discuss resourcing and recruitment to ensure a joined-up approach. The end to end process has been mapped out and further meetings are planned.</p>	A
Page 34	People – Area for Improvement	The service should put in place an open and fair process to	Our talent management programme, continues to ensure replenished development pools at each level, resulting in staff with the required skills to fulfil the roles when needed.	



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		<p>identify, develop and support high-potential staff and aspiring leaders.</p>	<p>All elements/modules of our promotional process have been reviewed, consulted on, and brought together in one Operational Promotional procedure to provide clarity and consistency to staff on the requirements and route for promotion.</p> <p>Following the successful pilot of a scheme used to identify and develop future leaders in the Service, we have embedded this into our recently refreshed appointment and promotion procedures and are progressing a new Leadership and Management Development Framework to support and assist with the development of newly recruited or promoted managers.</p> <p>All employees have an annual appraisal, where their commitment to their behaviours linked to the Authority's values is an essential element. Quality assurance of appraisal returns is undertaken to identify themes, and to assist with training requirements.</p> <p>This approach continues to futureproof the Service and minimise the potential impact on its workforce, ensuring the operational commitment can be maintained.</p>	G
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## Overview and Audit Committee Forward Plan 2021/22

ITEM 17

Item	Reporting Date	Recommended Action	Lead Officer
Internal Audit Reports (a) Final Audit Reports (c) Update on Progress of the Annual Audit Plan (b) Update on Progress of Audit Recommendations	November 2021	Noting	Internal Audit Manager and Director of Finance and Assets
HMICFRS Action Plan	November 2021	Noting	Head of Prevention, Response and Resilience
Corporate Risk Management	November 2021	Decision	Director of Legal and Governance
Operational Assurance Improvement Plan	November 2021	Noting	Head of Protection, Assurance and Development
Grenfell Infrastructure Update	November 2021	Noting	Head of Protection, Assurance and Development
Treasury Management Performance	November 2021	Noting	Director of Finance and Assets
Audit Results - Year Ending 31 March 2021	November 2021	Noting	Director of Finance and Assets
Letter of Management Representation 2020/21	November 2021	Decision	Director of Finance and Assets
Adoption of the Audited Statement of Accounts - Year ended 31 March 2021	November 2021	Decision	Director of Finance and Assets
Compliments and Complaints	November 2021	Noting	Director of Legal and Governance

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