

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 Fax: 01296 744600



Chief Fire Officer and Chief Executive

Jason Thelwell

To: The Members of the Overview and Audit Committee

6 July 2015

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, Fire and Rescue Headquarters, Stocklake, Aylesbury on **WEDNESDAY 15 JULY 2015 at 10.00 am** when the business set out overleaf will be transacted.

Yours faithfully

A handwritten signature in black ink that reads 'Graham Britten'.

Graham Britten
Director of Legal and Governance

Councillors: Bendyshe-Brown, Clarke OBE, Exon, Glover, Huxley, Mallen, Vigor-Hedderly, Watson and Wilson



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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

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 2015/16

2. Appointment of Vice Chairman

To appoint a Vice Chairman for 2015/16

3. Apologies

4. Minutes

To approve, and sign as a correct record, the Minutes of the meeting of the Committee held on 11 March 2015 (Item 4) **(Pages 7 - 12)**

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. Questions

To receive questions in accordance with Standing Order S0A7.

7. Corporate Risk Management

To consider Item 7 **(Pages 13 - 26)**

8. Internal Audit Reports:

(a) Internal Audit Report: Final Audit Reports

To consider Item 8(a) **(Pages 27 - 64)**

(b) Internal Audit Report: Update of progress of audit recommendations

To consider Item 8(b) **(Pages 65 - 68)**

9. Annual Report of the Chief Internal Auditor 2014/15

To consider Item 9 **(Pages 69 - 78)**

10. Financial Instructions

To consider Item 10 **(Pages 79 - 134)**

11. Annual Governance Statement 2014/15

To consider Item 11 **(Pages 135 - 150)**

12. Statement of Accounts 2014/15: verbal update

To receive an update on the Statement of Accounts 2014/15

13. Injury Awards: verbal update

To receive a further update since the last Overview and Audit Committee meeting on 11 March 2015

14. Revised Whistleblowing Procedure

To consider Item 14 (**Pages 151 - 174**)

15. Revised Code of Conduct

To consider Item 15 (**Pages 175 - 218**)

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

Minutes of the meeting of the OVERVIEW AND AUDIT COMMITTEE of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY held on WEDNESDAY 11 MARCH 2015 at 10.00 am

Present: Councillors Exon, Glover, Huxley, Watson (Chairman) and Wilson

Officers: G Britten (Director of Legal and Governance), L Swift (Director of People and Organisational Development), D Sutherland (Acting Director of Finance and Assets), M Gibb (Internal Audit Manager), J Parsons (Head of Service Delivery), K McCafferty (Head of Human Resources), S Gowanlock (Corporate Planning Manager), M Hemming (Head of Finance), M Grindley (External Auditor EY) and D Guest (External Auditor EY)

Apologies: Councillors Bendyshe-Brown, Chilver, Mallen, Vigor-Hedderly

0A24 MINUTES

RESOLVED –

That the Minutes of the meeting of the Overview and Audit Committee held on 3 December 2014, be approved and signed by the Chairman as a correct record.

0A25 PROTOCOL ON MEMBER AND OFFICER RELATIONS

The Director of Legal and Governance introduced the Policy Statement and informed the Committee that he was recommending two additional changes to the revisions already highlighted in the revised draft:

That “unitary authorities” in clause 5.2 be changed to “local authorities”; and that “part eight of this document” in clause 5.5 be changed to “part nine of this document”.

These additional amendments having been read into the revised Protocol on Member and Officer Relations, it was

RESOLVED –

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

0A26 2013/14 STATEMENT OF ASSURANCE

The Corporate Planning Manager introduced the Statement of Assurance and gave an outline of the contents of the report.

In answer to a question raised regarding the increase in the numbers “killed and seriously injured in road traffic collisions” it was explained that the rise in numbers was due to an increase of incidents in the Milton Keynes area, the numbers in the rest of Buckinghamshire were down. A number of initiatives were being

looked at in the Milton Keynes area to raise awareness. It was suggested by a member that inclusion of last year's figures would be helpful for comparison.

In answer to a question as to why the hyperlink in the Statement of Assurance to "payments in excess of £500" could not be opened, the Head of Finance explained that it would have been because it was being updated but would be back up as soon as possible.

RESOLVED –

That the 2013/14 Statement of Assurance be approved by the Overview and Audit Committee and signed off by its Chairman

OA27 CORPORATE RISK MANAGEMENT POLICY

The Corporate Planning Manager introduced the Corporate Risk Management Policy and explained that the updating of the policy was the final recommendation to be completed following an audit review on Risk Management in 2014.

Following a question regarding how risks are measured using both past events and likely risks in the future, it was explained that this was an ongoing process and was looked at in conjunction with financial, population growth and other events as the Authority was made aware of them.

The Head of Service Delivery informed the Committee that the Authority's IRMP dealt with operational risks; and that the Authority in conjunction with other fire and rescue authorities arranged exercises to plan for emerging operational risks such as terrorism.

RESOLVED –

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

OA28 CORPORATE RISK MANAGEMENT

The Corporate Planning Manager introduced the report and informed the members that there had been one change to the risk register since last reviewed by the Overview and Audit Committee on 3 December 2014.

The risk to the Control Room continuity of service following the delay to the Thames Valley Control implementation had been evaluated and given a score of ten (probability two and impact five).

RESOLVED –

That the status report on identified corporate risks be reviewed.

OA29

INJURY AWARDS: VERBAL UPDATE

The Director of Legal and Governance recounted the recommendations that had arisen from the investigation into injury awards and that these had been accepted by the Authority at its February meeting. Taking into account the Authority's resolutions the upshot was that the Director of People and Organisational Development was tasked, in consultation with the Lead Member for Human Resources and Equality and Diversity, to review arrangements for the administration of its pension fund.

Secondly, the Authority had agreed that the acting Chief Finance Officer in consultation with the Chairman of the Overview and Audit Committee should review arrangements for external audit and financial assurance.

The Director of People and Organisational Development and the Acting Director of Finance and Assets were therefore asked to provide any update to the Committee on the implementation of the recommendations.

The Director of People and Organisational Development explained that a team had been set up to review the current administration of the Authority's Firefighters Pension schemes and would be drafting new specifications regarding requirements for the continued administration of the current pensions schemes. With the introduction of the new Firefighters Pension scheme in April 2015, bringing the total number of schemes running to four, the review team would also be looking at how this would affect the running of the schemes both locally and nationally.

The Chairman commented on the complexity of running both old and new schemes and requested that the Committee be provided with an update in approximately six months' time.

In respect of the acceptance by the Authority of the recommendation that processes for handovers between leavers and joiners, in particular senior managers, should be reviewed, the Director of People and Organisational Development explained that amendments had been made to the Recruitment Procedure to incorporate handovers from staff joining and leaving. This had already been put in place and would be incorporated in all recruitment within three months.

With regard to the Authority accepting that a policy within Human Resources for dealing with injury awards under the 2006 Compensation Scheme to complement the policies addressing ill-health retirements should be developed, it was reported that the Human Resources team were in the process of introducing a

policy outlining the procedure for retiring on ill health or injury grounds.

The Acting Director of Finance and Assets explained that following the recommendation in the report relating to financial assurance the audit team from the external auditors had been changed. Maria Grindley and David Guest the Authority's new external auditors from Ernst & Young and were introduced to the meeting.

Commenting on the recommendation that the Authority should support efforts within the Fire Finance Network to encourage greater information sharing and cooperation on financial matters, the Acting Director of Finance and Assets reported that he was keen to work closely with the Fire Finance Network to keep up to date with other Financial Directors regarding new developments in pension administration and other matters of shared interest.

OA30 INTERNAL AUDIT REPORT: UPDATE OF PROGRESS OF THE ANNUAL AUDIT PLAN

The Internal Audit Manager stated that the purpose of the report was to update Members on the progress of the Internal Audit Plan and the implementation of recommendations. Four audits had been completed since the last Overview and Audit Committee, two at the final report stage and two at the draft report stage.

RESOLVED –

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

OA31 INTERNAL AUDIT REPORT: FINAL AUDIT REPORT CORPORATE GOVERNANCE 2014/2015

The Internal Audit Manager outlined the findings and recommendations in the Corporate Governance report.

RESOLVED –

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

OA32 INTERNAL AUDIT REPORT: DRAFT INTERNAL AUDIT STRATEGY AND ANNUAL PLAN 2015/16

The Acting Director of Finance and Assets outlined the annual plan for 2015/16. It was explained that following meetings with the Internal Audit Manager some flexibility had been built into the 2015/16 plan so Audits can be directed to the most appropriate areas.

RESOLVED –

That the latest Internal Audit Strategy and Plan for 2015/16 be approved.

THE CHAIRMAN CLOSED THE MEETING AT 11.05 AM

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Buckinghamshire & Milton Keynes Fire Authority



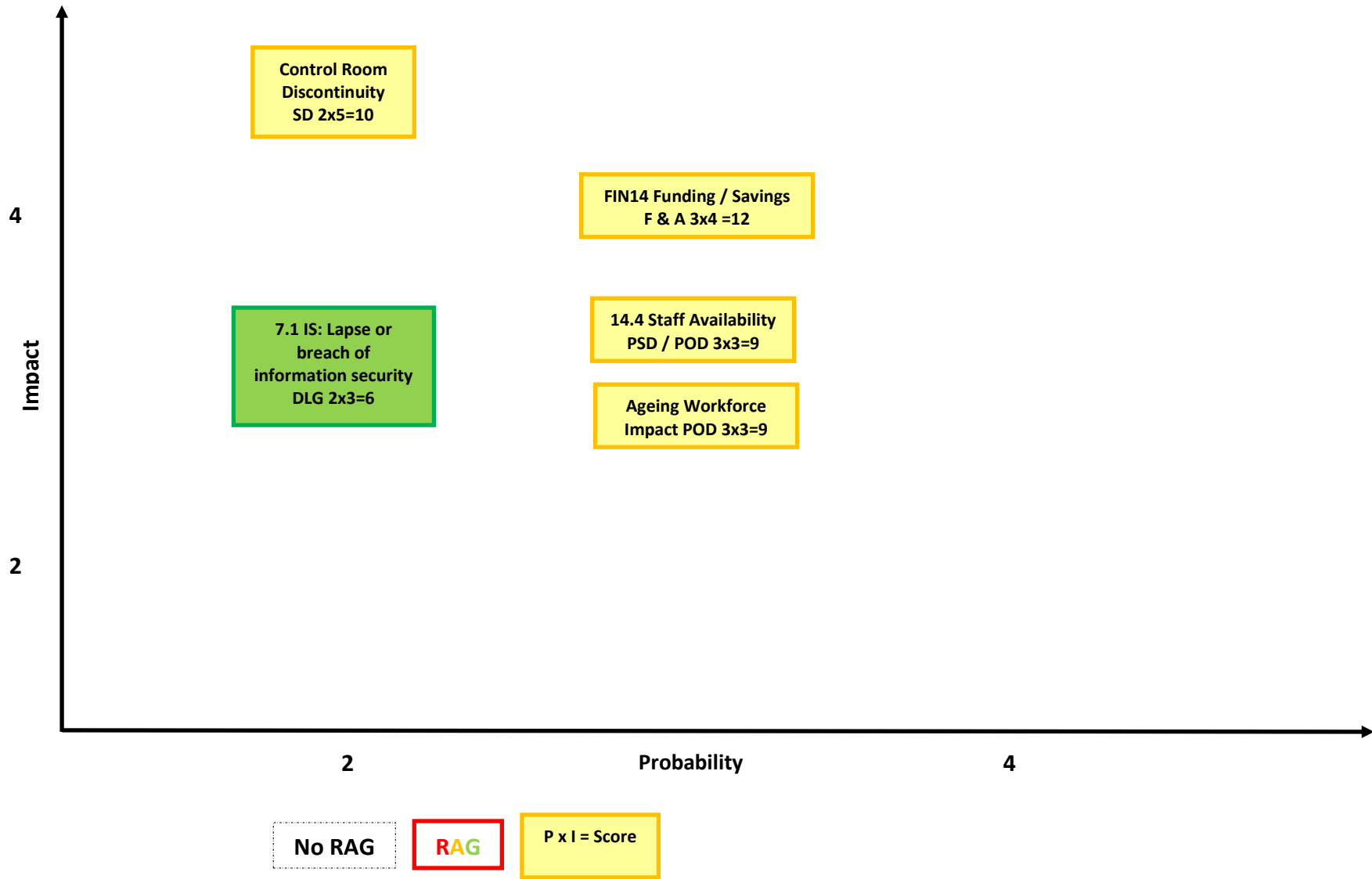
MEETING	Overview and Audit Committee
DATE OF MEETING	15 July 2015
OFFICER	Julian Parsons, Head of Service Delivery
LEAD MEMBER	Councillor David Schofield
SUBJECT OF THE REPORT	Corporate Risk Management
EXECUTIVE SUMMARY	<p>This report provides an update on the current status of identified corporate risks. 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.</p> <p>The Corporate Risk Register was last reviewed by the Overview and Audit Committee at its 11 March 2015 meeting. Since then it has been regularly reviewed by the Performance Management (PMB) and Strategic Management Boards (SMB), most recently at the 21 May 2015 PMB and 16 June 2015 SMB.</p> <p>Since the last review by the Overview and Audit Committee the following changes have been made to the risk register:-</p> <ul style="list-style-type: none"> • The probability score for the Information Security risk (CRR007) reduced from 3 to 2 to reflect the impact of further training and updated protective marking and harm testing procedures; • The probability score for the Staff Availability risk has been reduced from 5 to 3 given the current outlook for further industrial action over the FBU pensions dispute with the Government; • The wording of the Funding and Savings Requirement risk has been updated to reflect latest savings requirement and level of funding pressures reserve in line with the MTFP; • The Control Room continuity risk redefined to reflect the risks to service continuity following transfer to the new Thames Valley Fire Control Service; • An emerging risk to operational staff resources

	<p>arising as a result of an ageing workforce profile added.</p> <p>The current distribution of corporate risks relative to probability and potential impact is shown at Annex A.</p> <p>Changes to the corporate risk ratings over the last 12 month period are shown in graphical form at Annex B.</p> <p>Detailed assessments of identified corporate risks are shown in the Corporate Risk Register Report at Annex C.</p>
ACTION	Information.
RECOMMENDATIONS	<p>It is recommended that committee members:</p> <ul style="list-style-type: none"> i. Review the status report on identified corporate risks at Annex C; ii. Feedback comments to officers for consideration and attention in future updates/reports; iii. Approve the removal of the Information Security Risk (CR007) from the Corporate Risk Register and its transfer to the Legal & Governance Directorate Risk Register for future monitoring given the reduction in the risk assessment to Green RAG status.
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.
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.
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 Annex C.
HEALTH AND SAFETY	Development of the framework does not impact directly on the legal compliance to health and safety, however if risks are not appropriately identified then this may present Health and Safety risks.

<p>EQUALITY AND DIVERSITY</p>	<p>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 People and Organisational Development Risk Register.</p>
<p>USE OF RESOURCES</p>	<p>Communication with Stakeholders</p> <p>Senior managers and principal officers are key stakeholders in the development of the corporate risk management framework and have an active role in its development at every stage. The lead Member will also be involved in the development of the framework with particular responsibility for determining the reporting arrangements for the Authority.</p> <p>As with all policy frameworks, all employees will be informed of the changes in the process and will receive any training necessary to support their role in the process.</p> <p>System of internal control</p> <p>The development of the risk management framework complements the governance framework and business processes as a critical cog in the system of internal control and makes better use of our people resources by giving them clearly defined areas of responsibility.</p> <p>Risk registers are maintained at Project, Directorate and Corporate levels. Directorate risks are regularly reviewed within Directorates and formally at their management team meetings. An escalation process is in place to enable risks to be elevated to Corporate level. Corporate risks are monitored by the Performance Management Board and the Strategic Management Board with CFA Member scrutiny exercised via the quarterly Overview and Audit Committee meetings.</p> <p>The Medium Term Financial Strategy</p> <p>Financial risks are captured at Directorate and Corporate levels. Any implications for medium term financial planning are included in the individual risk assessments.</p> <p>The balance between spending and resources</p> <p>The corporate risk management process is funded from within agreed budgetary resources. Any budgetary impacts associated with risk recorded in the risk registers are identified in the individual risk assessments and dealt with via the budget management and planning processes.</p> <p>The management of the asset base</p>

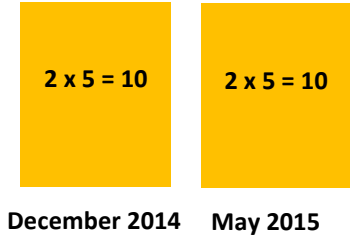
	<p>The asset management implications of recorded corporate and directorate risks are captured in the individual risk assessments together with details of the controls and mitigating actions.</p> <p>Environmental</p> <p>Any environmental impacts associated with risks captured in the corporate and directorate risk registers are identified in the individual risks assessment together with details of the controls and mitigating actions.</p>
<p>PROVENANCE SECTION & BACKGROUND PAPERS</p>	<p>A formal policy for the management of Corporate Risk was approved by the Authority in August 2006 and implemented with effect from 31 January 2007 (OC57: Corporate Risk Management Policy).</p> <p>An updated Corporate Risk Management Policy was approved at the 18 March 2015 Executive Committee: http://bucksfire.gov.uk/files/3314/2564/2098/Executive_Committee_180315.pdf</p> <p>CFA Members were last updated on the status of the Authority's Corporate Risks at the 11 March 2015 Overview & Audit Committee:</p> <p>http://bucksfire.gov.uk/files/1114/2529/7877/Overview_Audit_Committee_Agenda_Pack_110315.pdf</p>
<p>APPENDICES</p>	<p>Annex A: Distribution of Corporate Risks at 16 June 2015 SMB.</p> <p>Annex B: 12 Month View of Changes to Corporate Risks.</p> <p>Annex C: Corporate Risk Register Report.</p>
<p>TIME REQUIRED</p>	<p>15 Minutes.</p>
<p>REPORT ORIGINATOR AND CONTACT</p>	<p>Stuart Gowanlock, Corporate Planning Manager</p> <p>sgowanlock@bucksfire.gov.uk</p> <p>01296 744435</p>

Annex A: Corporate Risk Map – 16 June 2015

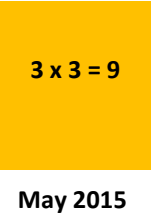


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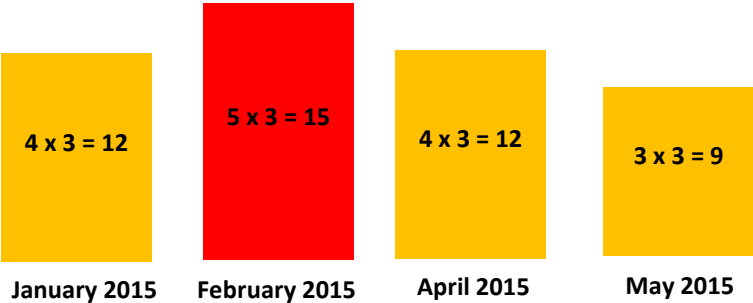
Thames Valley Control



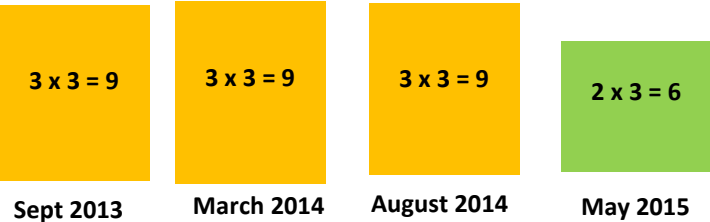
Ageing Workforce Impact



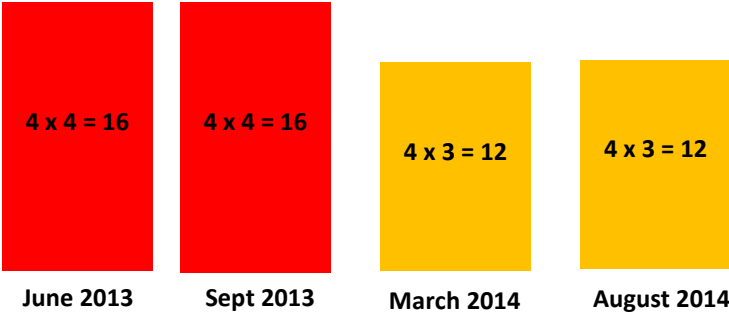
Staff Availability



Lapse or Breach of Information Security



Risk to Funding



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Corporate Risk Register – as at 16 June 2015

Corporate Risks

Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level H/M/L	Current Treatment	RAG	Comments / Further Treatment Proposed
			P	I	Σ				
CRR 007 Lapse or breach of Information Security	Dir. Legal & Gov.	1. Fine of up to £500,000 per breach from the Information Commissioner’s Office (ICO) 2.Reputational damage 3. Reduced opportunities for joint working	(3)	(3)	(9)	M	Various, see sample below: •Specialist information roles •Information Governance Strategy •2 nd rollout of Protecting Information level 1 training package for information security/data protection •Retention & Disposal Schedules •External archive for physical assets •ICT Strategy •EDMS for Policies and procedures. • Reminders to staff not to open suspicious e-mail attachments. • Protective Marking & Harm- testing procedure • Beginning to use Privacy Impact Assessments for projects that may use privacy intrusive processes or technology	G	<ul style="list-style-type: none"> There are a wide range of information security issues and treatments to reduce the likelihood of lapses and breaches. These are identified in a separate information risk register and risk owners identified so that treatments are managed at directorate level. <p>2 September 14 SMB</p> <ul style="list-style-type: none"> The recent increase in the threat of international terrorism, from substantial to severe, means that there is a stronger likelihood of cyber terrorist attacks. Even though the Authority’s anti-virus system helps to prevent malicious activity on its computer network and staff are periodically reminded not to open suspicious email (to help prevent the organisation becoming a victim of cyber espionage or cyber exploitation) 'lone actors' continue to pose a threat to UK organisations (a lone actor is someone who has not received training from terrorist organisations but is inspired and motivated by extremist ideological materials available online and has developed the capability to carry out attacks and select targets completely independently of established terrorist groups). Therefore the risk should remain at 3 x 3.
			(3)	(3)	(9)	M			
			2	3	6	L			

Corporate Risk Register – as at 16 June 2015

Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level H/M/L	Current Treatment	R A G	Comments / Further Treatment Proposed
			P	I	Σ				
CRR 007 Lapse or breach of Information Security (continued...)								<p><u>12 November 14 SMB</u></p> <p>Further to September’s update, regarding the increased threat of cyber terrorist attacks: In a recent spate of attacks Shropshire and Wrekin’s Fire Authority’s website was taken over by a group of reputedly pro-Palestinian hackers, based in Morocco, calling themselves “AnonGhost”. The BMKFA website is hosted externally and, although the providers are confident their systems would repel such an attack, an internet security expert at Nottingham Trent University has advised that hacking a site is fairly straightforward. Although in the event of our website being hacked we could block access to it, until the external provider is able to resolve the issue, denial of service attacks such as this are both disruptive and may cause concern to our service users whose data we may hold.</p> <p><u>21 May 15 PMB</u></p> <p>In light of additional control measures including the rollout of further training and updated protective marking and harm testing procedures a reduction in the probability score from 3 to 2 was recommended.</p> <p><u>16 June 2015 SMB</u></p> <p>PMB recommendation to change risk score approved.</p>	

Corporate Risk Register – as at 16 June 2015

Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	R A G	Comments / Further Treatment Proposed
			P	I	Σ	HML			
CRR 014.4 Staff Availability Emerging risks of 1/ industrial action due to pension change or pay dispute; 2/ Staff inability to get to work due to external factors e.g. Pandemic Flu, disruption to fuel supplies etc. 3/ Retirements proceeding more quickly than anticipated.	COO / POD Dir.	Potential detrimental effects on service delivery to the community and our reputation.	(2)	(5)	(10)	(M)	<ul style="list-style-type: none"> • Full business continuity plan in place • Peer review of the business continuity arrangements • Bank System • Flexi-Duty System Pilot • Staff Transfer Procedure 	A	<p><u>17 July 14 PMB</u> Risk to contingency resourcing in the event of further industrial action during the August holiday period due to leave arrangements. Review of risk score and mitigation recommended at 29 July 14 SMB in light of any further developments between the Government and FBU and any indications of further industrial action.</p> <p><u>2 September 14 SMB</u> Probability score for further industrial action raised to 5 (Extremely Likely).</p> <p><u>13 January 15 SMB</u> Probability score reduced to 4 (Very Likely)</p> <p><u>17 February 15 SMB</u> Probability score increased to 5 (Extremely Likely) following announcement of further strike action by the FBU (from 7 am on Wednesday 25 February 2015 until 7am on Thursday 26 February 2015).</p> <p><u>14 April 15 SMB</u> Probability reduced to 4.</p> <p><u>21 May 15 PMB</u> Probability score recommended to reduce to 3 in light of current position in relation to the FBU trade dispute with the Government following enactment of the new Pensions legislation.</p> <p><u>16 June 15 PMB</u> PMB recommendation to reduce risk score approved.</p>
		(5)	(5)	(25)	(H)				
		(3)	(5)	(15)	(H)				
		(4)	(5)	(20)	(H)				
		(3)	(5)	(15)	(H)				
		(5)	(4)	(20)	(H)				
		(4)	(3)	(12)	(M)				
		(5)	(3)	(15)	(H)				
		(4)	(3)	(12)	(M)				
		(5)	(3)	(15)	(H)				
3	3	9	M						

Corporate Risk Register – as at 16 June 2015

Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	RAG	Comments / Further Treatment Proposed
			P	I	Σ				
Fin 14 – Funding and Savings Requirement	Director Finance & Assets	If funding settlements for 2016/17+ follow the current MTFP model, we would have a cumulative savings requirement of £4.2 million by the end of 2019/20. Potential savings have been identified that reduce this amount to £844k. However, there is still a lot of work required to achieve these savings. There is also still uncertainty around the outcome and impact of the upcoming general election in May 2015 and potential volatility within the Business Rates system, both of which may impact upon future funding.	(4)	(4)	(16)	H	<ul style="list-style-type: none"> A funding pressures reserve (approx. £1.2million by 31.03.2015) has been created, but this would be quickly exhausted without a dramatic altering of service provision and/or an increase in alternative funding to offset the reduction in Government funding 	A	<p>18 February 14 SMB: SMB approved the reduction to the probability score associated with this risk from 4 to 3 as recommended by PMB.</p> <p>21 October 14 SMB: Agreed that wording should be amended as current explanation not broad enough. Wording to be amended from 'Council Tax' to an increase in 'alternative funding'.</p> <p>14 April 15 SMB: Agreed that wording should be updated to reflect latest savings requirement and level of funding pressures reserve in line with the MTFP. The description was also updated to reflect potential savings identified and the potential risk of not achieving these.</p> <p>16 June 15 SMB: Updates to risk description to reflect latest savings requirement and level of funding pressures reserve in line with the MTFP</p>
			(3)	(4)	(12)	M			
			3	4	12	M			

Corporate Risk Register – as at 16 June 2015

Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	RAG	Comments / Further Treatment Proposed
			P	I	Σ				
Thames Valley Control Service discontinuity	COO / Head Service Dev.	<ul style="list-style-type: none"> Potential for delay in receiving and handling of calls locally, therefore affecting response times of appliances 	2	5	10	M	<ul style="list-style-type: none"> Legal agreement now in place for North Yorkshire FRS to call handle and mobilise for TVFCS in the event of service discontinuity. Secondary Control at Kidlington now tested and mirrors primary. Exercises planned for 2015 	A	<p><u>21 May 15 PMB</u></p> <p>Risk re-defined to relate to new Thames Valley Control Service</p> <p><u>16 June 15 SMB</u></p> <p>Re-definition of risk approved</p>
Potential impact on of operational staff resources due to aging workforce profile. As of April 2015 the average age of our FF's is 39.	Director of POD	<ul style="list-style-type: none"> An aging workforce and significant retirement and leaver profile would impact on the Service providing an operational response to the community, and may also impact on the capacity and capability of our staff to provide a diverse range of services. Greater potential for increased long term Sickness absence, which would not demonstrate an 	3	3	9	M	<ul style="list-style-type: none"> SMB are reviewing the Whole time workforce and retirement profile in line with the MTFP to consider what options are available for refreshing the workforce and aligning staff with demand. Improved take up of Bank and Ops resourcing pool will assist operational resilience. Review wellbeing support options for different workforce profiles Functional hearing assessments being conducted in house 	A	<ul style="list-style-type: none"> Next SMB planning meeting 8 June 2015 Potential to offer different and more flexible contractual arrangements which may be more attractive to an aging workforce with different needs and priorities Encourage a balance of demographics across the organisation Succession and workforce planning to be developed further. Review opportunities for reasonable adjustments for aging workforce. <p><u>21 May 15 PMB</u></p> <p>An initial score of 3 x 3 = 9 recommended for this newly defined risk.</p>

Corporate Risk Register – as at 16 June 2015

		<p>effective use of salary spend, and would increase management time spent managing attendance.</p> <ul style="list-style-type: none"> • A potential increase in ill health retirements would negatively impact on the Service budget • Pension arrangements historically have retained staff to predictable retirement dates. The NFFS 2015 may be unlikely to guarantee full service and a consequence is a more unpredictable leaver profile with staff leaving at short notice. 							<p><u>16 June 15 SMB</u> Risk approved for inclusion in Corporate Risk Register.</p>
--	--	---	--	--	--	--	--	--	---



Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	15 July 2015
OFFICER	Maggie Gibb, Audit Manager David Sutherland, Acting Director of Finance & Assets
LEAD MEMBER	Chairman of Overview and Audit Committee
SUBJECT OF THE REPORT	Internal Audit Report: Final Audit Reports
EXECUTIVE SUMMARY	<p>The purpose of this paper is to update members on the findings of the finalised Internal Audit reports issued since the last Overview and Audit Committee meeting.</p> <p>Three reports have been finalised since the last meeting.</p> <p>This report includes three annexes:</p> <p>A: Housing and Accommodation Allowances Final Report.</p> <p>B: HR People Management Final Report.</p> <p>C: Core Financial Controls Final Report.</p> <p>The recommendations have all been agreed with management and suitable deadline dates for implementation have been identified. Internal Audit will monitor implementation of the recommendations as they fall due.</p> <p>The draft report for the ICT Strategy audit is close to being finalised and is expected to have been issued as a final report by the time of the Overview and Audit Committee meeting in July, and will be presented in full in September.</p>
ACTION	Information.
RECOMMENDATIONS	That members note the recommendations raised in the finalised Internal Audit reports.
RISK MANAGEMENT	There are no risk implications arising from this report.
FINANCIAL IMPLICATIONS	The audit work is contained within the 2014–15 budget.

LEGAL IMPLICATIONS	There are no legal implications arising from this report.
HEALTH AND SAFETY	There are no health and safety implications arising from this report.
EQUALITY AND DIVERSITY	There are no equality and diversity implications arising from this report.
USE OF RESOURCES	Communication and progress monitoring All audits, follow up reports and further updates will be submitted to this committee.
PROVENANCE SECTION & BACKGROUND PAPERS	Internal Audit Plan 2014/15. Internal Audit reports taken to Overview and Audit Committee.
APPENDICES	A: Housing and Accommodation Allowances Final Report B: HR People Management Final Report C: Core Financial Controls Final Report
TIME REQUIRED	15 minutes.
REPORT ORIGINATOR AND CONTACT	Maggie Gibb – Internal Audit Manager mgibb@buckscc.gov.uk

Item 8(a) Annex A

AUDIT AND RISK MANAGEMENT

INTERNAL AUDIT REPORT

BUCKINGHAMSHIRE & MILTON KEYNES FIRE AUTHORITY

HOUSING ACCOMMODATION AND ALLOWANCES 2014/15

March 2015





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Audit Control:

Closing meeting:	18 February 2015
Draft report:	11 March 2015
Management responses:	17 March 2015
Final report:	23 March 2015

Auditors:	Chief Internal Auditor Audit Manager Senior Auditor
Report Distribution:	
Draft Report	Head of Human Resources Director of People and Organisational Development Acting Director of Finance and Assets
Final Report as above plus:	Chief Fire Officer Chair, Bucks and Milton Keynes Fire Authority External Audit



1. Executive Summary

1.1 Overall Audit Opinion

In our opinion **Reasonable** assurance can be provided that relevant risks are effectively identified, managed and controlled.

1.2 The overall audit assurance is made up of three supporting judgements:

- a) Our assurance on the adequacy of the risk management techniques employed within the auditable area is reasonable. This relates to the extent to which relevant risks have been identified, monitored and managed.
- b) Our assurance on the adequacy of the existing control framework to reduce identified risks to an acceptable level is reasonable.
- c) Our assurance on the adequacy of compliance with the existing control framework is reasonable.

1.3 The Guidance Note for Housing Accommodation and Allowances has recently been updated and is available to staff on the I-Drive. Employee Services staff are correctly working to the Guidance Note. The guidance specifies who can nominate staff to properties. An Accommodation Allowance is a monthly payment made to an employee working at a station operating under the Day Crewing Duty System where no accommodation is provided. A Housing Allowance is a payment made to employees working at Gerrards Cross only where the employee is nominated and allocated to occupy a specific London and Quadrant property.

1.4 In addition to the findings summarised below, we also found the following examples of good practice

- The Employee Services have been proactive in ensuring that only eligible employees are in receipt of allowances through regular checks with Station Managers.

1.5 Some areas for improvement were identified, however no high priority recommendations were raised.



Buckinghamshire and Milton Keynes Fire Authority
Housing Accommodation and Allowances 2014/15
Internal Audit Report

1.6 Recommendations summary:

In order to provide an assurance on the extent to which the risks identified are managed, our review focussed on the main business objectives within Housing Accommodation and Allowances.

Progress in implementing the management actions will be tracked and reported to the Overview & Audit Committee.

Business Objective	Risk	Findings		
		High	Medium	Low
Policies and Procedures	<ul style="list-style-type: none"> The guidance note for Housing Accommodation and Allowances is not comprehensive, up to date or approved. Employees are unaware of the details of the guidance note. 		2	
Allocation and Authorisation	<ul style="list-style-type: none"> Allocation of properties and authorisation of allowances is not in accordance with the guidance note. 		2	
Processing, Administration and Record Keeping	<ul style="list-style-type: none"> Notifications for allowances to be paid/ceased are not completed or processed in a timely manner. Notifications for allowances to be paid/ceased are not appropriately authorised An inadequate audit trail is maintained to support the allocations/payment of allowances Overpayments are not recovered 		1	
Management Information	<ul style="list-style-type: none"> Inadequate, or lack of, budgetary control results in budget over/under spends. Employees Services do not carry out the monthly internal audit of allowances in accordance with the guidance note, and discrepancies are not investigated. 			
TOTAL		0	5	0



Buckinghamshire and Milton Keynes Fire Authority
Housing Accommodation and Allowances 2014/15
Internal Audit Report

The detailed findings are summarised in Section 3 of this report. All findings have been discussed with the Head of Human Resources who has agreed all the findings and produced an action plan to implement them.

- 1.7 There were no aspects of this audit which were considered to have value for money implications for the Authority or which indicated instances of over control. Any relevant findings will have been included in the findings and recommendations section of this report.

2. Background

- 2.1 The audit review of Housing Accommodation and Allowances formed part of the agreed audit programme for 2014/15. The review was carried out during January and February 2015.
- 2.2 The Housing Accommodation and Allowances area was categorised high risk as part of the audit needs assessment exercise based on its relative importance to the achievement of the Authority's corporate objectives. The Authority's objective for the system is to ensure that key controls are in place to ensure the correct allocation and payment of housing and accommodation allowances.
- 2.3 The objective of our audit was to evaluate the area with a view to delivering reasonable assurance as to the adequacy of the design of the internal control system and its application in practice. A detailed summary of the scope of this review can be seen in Appendix A.
- 2.4 This area has not been audited previously.



3. Recommendations and Action Plan

The control description column details the actual controls that should be established to mitigate identified risk. The Findings & Consequences column details the results of analysis and tests carried out.

The priority of the findings and recommendations are as follows:

- High** immediate action is required to ensure that the objectives for the area under review are met.
- Medium** action is required within six months to avoid exposure to significant risks in achieving the objectives for the area under review.
- Low** action advised within 9 months to enhance control or improve operational efficiency.

	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
Key Area		Policies and Procedures			
1	There is an up to date Guidance Note for Housing Accommodation and Allowances that details the process for authorising nominations to accommodation.	<p>There is a Guidance Note for Housing Accommodation and Allowances that was recently updated. This was checked to expected controls for nominating, allocating and authorising staff to specific properties.</p> <p>The Guidance Note records that the Station Managers at Gerrards Cross, Beaconsfield and Buckingham are responsible for nominating staff to properties. However it does not detail how the Station Managers should authorise the allocation or who they should inform of the allocation to a house in Gerrards Cross, Beaconsfield or Buckingham.</p> <p>It was confirmed to Audit that the expectation is that the FB 6.10.3 is the</p>	Medium	<i>Guidance Note Housing Accommodation & Allowances will be reviewed to ensure it documents the process for nominating staff to properties and the process to inform Employee Services.</i>	<p>Who to be actioned by: Employee Relations Manager</p> <p>When to be actioned by: 30/04/15</p>



**Buckinghamshire and Milton Keynes Fire Authority
Housing Accommodation and Allowances 2014/15
Internal Audit Report**

	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
		<p>authorising document for allocation to a property as well as authorising payment of housing or accommodation allowance.</p> <p>There is a risk that in the event of a dispute the service cannot demonstrate an open and transparent process.</p>			
2	The Guidance Note for Housing Accommodation and Allowances clearly sets out responsibilities.	<p>The Guidance Note for Housing Accommodation and Allowances was examined to ensure it was clear and understandable.</p> <p>It was found that there were a couple of areas where the text was unclear (section 4 page 4).</p> <p>There is a risk that in the event of a dispute the service cannot demonstrate an open and transparent process.</p>	Medium	<i>The Guidance Note Housing Accommodation & Allowances will be reviewed to ensure that it is comprehensible.</i>	<p>Who to be actioned by: <i>Employee Relations Manager</i></p> <p>When to be actioned by: <i>30/04/15</i></p>
Key Area		Allocation and Authorisation			
3	A list is maintained of all properties where BMKFA have accommodation rights.	<p>The Guidance Note for Housing Accommodation and Allowances section 6 page 7 states that 'The Employee Service and Payroll Team Leader will maintain and update a spreadsheet list of all properties where BMKFA have rights. This list is split into the private and BMKFA properties'.</p> <p>During the audit it was evident that a central record of all properties and occupants is not maintained by the Employee Service and</p>	Medium	<i>The Employee Service and Payroll Team Leader have now compiled a list of all properties where BMKFA have rights. This list is split into the private and BMKFA properties.</i>	Action completed



**Buckinghamshire and Milton Keynes Fire Authority
Housing Accommodation and Allowances 2014/15
Internal Audit Report**

	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
		<p>Payroll Team. However they were able to provide separate details of the properties.</p> <p>There is a risk that properties where BMKFA have rights are not recorded and therefore unable to ensure they are fully occupied.</p>			
4	Occupancy agreements are in place for all properties.	<p>The Guidance Note for Housing Accommodation and Allowances section 6 page 7 states that: 'Occupancy agreements for the two properties at Buckingham will be prepared and issued by the property team after being notified by the nominating officer. Once the signed copy of the agreement is received by property a copy will be forwarded to HR to be placed in PRF'. Also in section 6 page 7: 'A copy of occupancy / tenancy agreements for any property that has been nominated by BMKFA from L&Q will be sent to the Employee Service and Payroll Team Leader. All occupancy / tenancy agreements for any property that has been nominated will be placed and held on file in an individual's PRF'.</p> <p>From a sample of allocated properties the personnel file for the occupant was reviewed to ensure that an occupancy agreement was on file. It was found that two personnel files did not hold an occupancy</p>	Medium	<p><i>Employee Services will continue to chase L&Q to ensure that occupancy/tenancy agreements are in place for all properties. This will be placed in personnel file when received.</i></p> <p><i>For Bourton Road, Buckingham a copy of the Occupancy Agreement will be obtained from Property and placed in the personnel file.</i></p>	<p>Who to be actioned by: <i>Senior Administrator, Employee Services</i></p> <p>When to be actioned by: <i>30/04/15</i></p>



**Buckinghamshire and Milton Keynes Fire Authority
Housing Accommodation and Allowances 2014/15
Internal Audit Report**

	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
		<p>agreement: Skelton Close, Beaconsfield and Bourton Road, Buckingham. Employee Services are chasing L&Q for the Skelton Close, Beaconsfield agreement. BMKFA Property Services hold a copy of the occupancy agreement for Bourton Road, Buckingham but a copy is not held in personnel file.</p> <p>If occupancy agreements are not held there is a risk that in the event of a dispute the relevant supporting documents are not available.</p>			
Key Area		Processing, Administration and Record Keeping			
5	There is a process with deadlines and adequate authorisation for notifying Employee Services of new and ceased allowances.	<p>The Guidance Note for Housing Accommodation and Allowances section 6 page 7 states that: 'Station Commanders are the nominated officer for each DC Station and are responsible for raising the FB 6.10.3 to inform of any payments of Allowances to be made. Group Managers responsible for areas are responsible for authorising the 6.10.3 by signature'.</p> <p>A sample of employees in receipt of accommodation or housing allowance was taken. Their personnel files were checked to ensure authorisation for the allowance was in line with the Guidance Note and it was found that all had been authorised appropriately.</p>	Medium	<i>The authorised FB6.10.3 has been received for the relevant employee to receive housing allowance.</i>	Action completed



Buckinghamshire and Milton Keynes Fire Authority
Housing Accommodation and Allowances 2014/15
Internal Audit Report

	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
		<p>A further sample was taken from a list of properties and it was found that for one property at Neal Close, Gerrards Cross the employee was not in receipt of Housing Allowance when he should have been. No allowance has been paid as the FB6.10.3 had not been submitted. This has been picked up by Employee Services and an authorised copy of FB6.10.3 requested.</p> <p>There is a risk that an employee does not receive all due allowances that may result in large back payments that could affect the budget.</p>			

Appendix A

AUDIT SCOPE AND FRAMEWORK

4. Specific Audit Scope

- 4.1 We have evaluated the area against the following identified risks which we agreed with management:

- | |
|---|
| <ul style="list-style-type: none">• Policies and Procedures• Allocation and Authorisation• Processing, Administration and Record Keeping• Management Information |
|---|

- 4.2 Following preliminary risk assessments, the following processes were not included within the scope of this review and will be considered for inclusion within future audits of the area:

- | |
|--|
| <ul style="list-style-type: none">• None |
|--|

5. Staff Interviewed

- Kerry McCafferty, Head of Human Resources
- Carly Humphrey, Employee Services and Payroll Team Leader
- Conor Avery, Senior Administrator, Employee Services

6. Audit Methodology and Opinions

- a. The audit was undertaken using a risk-based methodology in a manner compliant with the CIPFA Code of Practice. The audit approach was developed with reference to the Internal Audit Manual and by an assessment of risks and management controls operating within each area of the scope. Where we consider that a risk is not being adequately managed, we have made recommendations that, when implemented, should help to ensure that the system objective is achieved in future and risks are reduced to an acceptable level.
- b. The matters raised in this report are only those, which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the risks that exist or all improvements that might be made.
- c. Each audit will result in an overall ‘audit assurance’. A detailed summary will be provided to the Overview and Audit Committee for all ‘limited’ assurance opinion reports. The range of audit opinions is outlined below:

ASSURANCE	SUBSTANTIAL	REASONABLE	LIMITED
Adequacy of risk management techniques employed within the area.	Thorough processes have been used to identify risks. Action being taken will result in risks being mitigated to acceptable levels. No more monitoring is necessary than is currently undertaken.	The action being taken will result key risks being mitigated to acceptable levels. Some additional monitoring is required.	No action is being taken, OR insufficient action is being taken to mitigate risks. Major improvements are required to the monitoring of risks and controls.
Adequacy of the existing control framework to reduce identified risks to an acceptable level.	Controls are in place to give assurance that the system’s risks will be mitigated.	Most controls are in place to give assurance that the system’s key risks will be managed but there are some weaknesses.	The control framework does not mitigate risk effectively. Key risks are not identified or addressed.
Adequacy of compliance with the existing control framework.	The control framework is generally complied with. Emerging risks are identified and addressed in a timely manner.	Compliance with the control framework mitigates risk to acceptable levels, except for the risks noted.	Compliance is poor so risks are not being mitigated to acceptable levels and it is probable that some objectives will not be, OR are not being achieved.

- d. The responsibility for a sound system of internal control rests with management. Internal audit procedures are designed to focus on areas identified by management as being of greatest risk and significance. Effective implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

AUDIT AND RISK MANAGEMENT

INTERNAL AUDIT REPORT

**BUCKINGHAMSHIRE & MILTON KEYNES
FIRE AUTHORITY**

HR People Management 2014/15

April 2015





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Audit Control:

Closing meeting:	19 March 2015
Draft report:	31 March 2015
Management responses:	13 April 2015
Final report:	14 April 2015

Auditors:	Maggie Gibb – Audit Manager Mary-Anne Stanford – Senior Auditor
Report Distribution:	
Draft Report	Head of Human Resources Director of People and Organisational Development Acting Director of Finance and Assets
Final Report as above plus:	Chief Fire Officer Chair, Bucks and Milton Keynes Fire Authority External Audit



1. Executive Summary

1.1 Overall Audit Opinion

In our opinion **substantial** assurance can be provided that relevant risks are effectively identified, managed and controlled.

1.2 The overall audit assurance is made up of three supporting judgements:

- a) Our assurance on the adequacy of the risk management techniques employed within the auditable area is substantial. This relates to the extent to which relevant risks have been identified, monitored and managed.
- b) Our assurance on the adequacy of the existing control framework to reduce identified risks to an acceptable level is substantial.
- c) Our assurance on the adequacy of compliance with the existing control framework is substantial.

1.3 The Human Resources Team is responsible for ensuring that the suite of HR Policies and Procedures are up to date, relevant, and published on the I-Drive. The Team maintain a spreadsheet that summarises all HR policies and the progress with implementation and review. The SAP Training Events Module is used to capture employees training records, core competencies and to record completion of annual appraisals. It also records all potential courses and attendance at training courses.

1.4 In addition to the findings summarised below, we also found the following examples of good practice:

- The use of a central spreadsheet to record and keep track of HR policies represents good practice.
- The SAP Training Events Module is the primary tool to record competences, training requirements and attendance. It is being further utilised to produce management reports

1.5 Some areas for improvement were identified and these are listed in in Section 3. There were no high priority recommendations.



Buckinghamshire and Milton Keynes Fire Authority HR People Management 2014/15 – Internal Audit Report

1.6 Recommendations summary:

In order to provide an assurance on the extent to which the risks identified are managed, our review focussed on the main business objectives within HR People Management.

Progress in implementing the management actions will be tracked and reported to the Overview & Audit Committee.

Business Objective	Risk	Findings		
		High	Medium	Low
Policies and Procedures	<ul style="list-style-type: none">The suite of HR policies and procedures is not complete or does not cover the key risk areas			
	<ul style="list-style-type: none">HR policies and procedures are not up to date		1	1
	<ul style="list-style-type: none">HR policies and procedures are not consulted on (if appropriate) or approved			
	<ul style="list-style-type: none">HR policies are not communicated effectively or are not available to all employees			
	<ul style="list-style-type: none">Compliance with the HR policies and procedures are not monitored			
SAP HR Training Module	<ul style="list-style-type: none">SAP HR training records are not up to date			
	<ul style="list-style-type: none">Management information reports are not produced from the system in a timely manner, and discrepancies are not investigated			
TOTAL		0	1	1

The detailed findings are summarised in Section 3 of this report. All findings have been discussed with the Head of Human Resources who has agreed all the findings and produced an action plan to implement them.



- 1.7 There were no aspects of this audit which were considered to have value for money implications for the Authority or which indicated instances of over control. Any relevant findings will have been included in the findings and recommendations section of this report.

2. Background

- 2.1 The audit review of HR People Management formed part of the agreed audit programme for 2014/15. The review was carried out during February and March 2015.
- 2.2 The HR People Management area was categorised as high risk as part of the audit needs assessment exercise based on its relative importance to the achievement of the Authority's corporate objectives. The Authority's objective for the area is to ensure that the suite of HR Policies and Procedures are up to date, relevant, communicated, understood and used by employees. The SAP system is used to capture employees training records, core competencies and to record completion of annual appraisals.
- 2.3 The objective of our audit was to evaluate the area with a view to delivering reasonable assurance as to the adequacy of the design of the internal control system and its application in practice. A detailed summary of the scope of this review can be seen in Appendix A.



3. Recommendations and Action Plan

The control description column details the actual controls that should be established to mitigate identified risk. The Findings & Consequences column details the results of analysis and tests carried out.

The priority of the findings and recommendations are as follows:

- High** immediate action is required to ensure that the objectives for the area under review are met.
- Medium** action is required within six months to avoid exposure to significant risks in achieving the objectives for the area under review.
- Low** action advised within 9 months to enhance control or improve operational efficiency.

	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
	Key Area	Policies and Procedures			
1	The HR policies are up to date and reviewed according to relevant time scales.	<p>At Buckinghamshire and Milton Keynes Fire Authority there is a suite of HR policies that are based on the employee lifecycle. A spreadsheet is maintained that provides an overview of these HR Policies and Procedures.</p> <p>As part of the audit the spreadsheet was used to ascertain whether relevant policies and procedures were up to date. It was found that there were seven key procedures that were not up to date. These were all in the process of being drafted, out for consultation or waiting to be approved.</p> <p>These policies are:</p>	Medium	The out of date policies will continue to be taken through the process to ensure they are consulted on and approved in a timely manner.	<p>Who to be actioned by: Human Resources Development Manager</p> <p>When to be actioned by: 31 August 2015</p>



	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
		<ol style="list-style-type: none">1. Code of Conduct. This has been drafted and is with the Director of People and Organisational Development for feedback. Then it will go to Legal for comments, then to wider consultation inc. unions.2. Probation. This is in draft form. Final amendments are being made to document prior to issue by the end of March 2015.3. DBS Vetting & Barring. This procedure is currently being worked on and will be re-issued by April 2015.4. Communications & Consultation. This has been drafted and will then go for consultation.5. Managing Change/Redundancy. This procedure is going to the Business Transformation Board on 2 April 2015 for sign off and will then be published.6. Safeguarding. This is in draft form. The revised version will reflect the introduction of the Care Act 2014 which comes into force 1 April 2015. It will then be published April 2015.			



	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
		<p>7. BA Health Monitoring. This has been drafted. It will then go to the Health, Safety and Welfare committee.</p> <p>If policies and procedures are not up to date then there is a risk that staff are not aware of correct practices and current requirements are not being applied.</p>			
2	The HR policies are up to date and reviewed according to relevant time scales.	<p>The HR Policies and Procedures overview spreadsheet is maintained by each Lead Officer for the policy/procedure. These officers have access to the spreadsheet and are responsible for keeping it up to date with the policies they are responsible for.</p> <p>The Policies and Procedures overview spreadsheet was checked to establish whether policies were up to date. However it was found that several policies had been reviewed and updated but this had not been recorded on the spreadsheet.</p> <p>If the spreadsheet is not kept up to date then there is a risk that the document cannot be relied on to provide the most up to date information.</p>	Low	The HR Policies and Procedures overview spreadsheet will be held on a central drive. Staff that are responsible for policies and procedures will be reminded to keep the Policies and Procedures Overview spreadsheet up to date. There will be a quarterly review of the spreadsheet to ensure it has been kept up to date.	<p>Who to be actioned by: Human Resources Development Manager</p> <p>When to be actioned by: 31 May 2015</p>



Appendix A

AUDIT SCOPE AND FRAMEWORK

4. Specific Audit Scope

4.1 We have evaluated the area against the following identified risks which we agreed with management:

- | |
|--|
| <ul style="list-style-type: none">• Policies and Procedures• SAP HR Training Module |
|--|

4.2 Following preliminary risk assessments, the following processes were not included within the scope of this review and will be considered for inclusion within future audits of the area:

- | |
|--|
| <ul style="list-style-type: none">• None |
|--|

5. Staff Interviewed

- Kerry McCafferty, Head of Human Resources;
- Faye Mansfield, Human Resources Development Manager;
- Paul Holland, Head of Operational Training;
- Richard Priest, Operational Training Manager;
- Emma Wren, Administrator POD



Buckinghamshire and Milton Keynes Fire Authority
HR People Management 2014/15 – Internal Audit Report

5. Audit Methodology and Opinions

- a. The audit was undertaken using a risk-based methodology in a manner compliant with the CIPFA Code of Practice. The audit approach was developed with reference to the Internal Audit Manual and by an assessment of risks and management controls operating within each area of the scope. Where we consider that a risk is not being adequately managed, we have made recommendations that, when implemented, should help to ensure that the system objective is achieved in future and risks are reduced to an acceptable level.
- b. The matters raised in this report are only those, which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the risks that exist or all improvements that might be made.
- c. Each audit will result in an overall ‘audit assurance’. A detailed summary will be provided to the Overview and Audit Committee for all ‘limited’ assurance opinion reports. The range of audit opinions is outlined below:

ASSURANCE	SUBSTANTIAL	REASONABLE	LIMITED
Adequacy of risk management techniques employed within the area.	Thorough processes have been used to identify risks. Action being taken will result in risks being mitigated to acceptable levels. No more monitoring is necessary than is currently undertaken.	The action being taken will result key risks being mitigated to acceptable levels. Some additional monitoring is required.	No action is being taken, OR insufficient action is being taken to mitigate risks. Major improvements are required to the monitoring of risks and controls.
Adequacy of the existing control framework to reduce identified risks to an acceptable level.	Controls are in place to give assurance that the system’s risks will be mitigated.	Most controls are in place to give assurance that the system’s key risks will be managed but there are some weaknesses.	The control framework does not mitigate risk effectively. Key risks are not identified or addressed.
Adequacy of compliance with the existing control framework.	The control framework is generally complied with. Emerging risks are identified and addressed in a timely manner.	Compliance with the control framework mitigates risk to acceptable levels, except for the risks noted.	Compliance is poor so risks are not being mitigated to acceptable levels and it is probable that some objectives will not be, OR are not being achieved.

- d. The responsibility for a sound system of internal control rests with management. Internal audit procedures are designed to focus on areas identified by management as being of greatest risk and significance. Effective implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

Item 8(a) Annex C

AUDIT AND RISK MANAGEMENT

INTERNAL AUDIT REPORT

BUCKINGHAMSHIRE & MILTON KEYNES FIRE AUTHORITY

Core Financial Controls 2014/15

March 2015





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Audit Control:

Closing meeting:	5 February 2015
Draft report:	5 March 2015
Management responses:	10 March 2015
Final report:	17 March 2015

Auditors:	Mark Reid	Principal Auditor
	Peter Emmanuel	Principal Auditor
	Maggie Gibb	Risk & Insurance Manager
Report Distribution:		
Draft Report	David Sutherland	Acting Director of Finance & Assets
	Mark Hemming	Acting Head of Finance
	Kerry McCafferty	Head of Human Resources
	Lynne Swift	Director of People and Organisational Development
Final Report as above plus:		Chief Fire Officer Chair, Bucks and Milton Keynes Fire Authority Ernst & Young



1. Executive Summary

1.1 Overall Audit Opinion

In our opinion **Substantial** assurance can be provided that relevant risks are effectively identified, managed and controlled.

1.2 The overall audit assurance is made up of three supporting judgements:

- a) Our assurance on the adequacy of the risk management techniques employed within the auditable area is **substantial**. This relates to the extent to which relevant risks have been identified, monitored and managed.
- b) Our assurance on the adequacy of the existing control framework to reduce identified risks to an acceptable level is **substantial**.
- c) Our assurance on the adequacy of compliance with the existing control framework is **reasonable**.

1.3 Within the Buckinghamshire & Milton Keynes Fire Authority (BMKFA), the Director of Finance & Assets has overall responsibility for overseeing the finance functions and is supported on a day-to-day basis by the Acting Head of Finance and the Finance Team. The Team currently consists of 10 members of staff (Head of Procurement, Procurement Manager, an Interim Management Accountant, two Accountants, two Finance Officers, two Finance Assistants and a Procurement Officer).

1.4 The main responsibilities of the Finance Team include advising on the strategic direction of finance for the organisation; budget monitoring and medium term financial planning; capital accounting; establishment control, journals and virements; Treasury Management (including cash flow); banking; reconciliations; payroll integration; accounts payable and receivable; and procurement.

1.5 People and Organisational Development (POD) is overseen by the Director of POD and the Human Resources activity is led by the Head of HR. The HR team has 11 staff (Employee Services & Payroll Manager, HR Development Manager, Employee Relations Manager, ES and Payroll Team Leader, HR Officer, HR Assistant, Welfare officer, 2 Senior Administrators and 2 administrators (several of these roles are part-time).

1.6 POD provide all Human Resource (HR) advisory, transactional and payroll services to the Authority. Payroll was completely moved to HR from the Finance department in 2013 yet the payroll auditing still remains in the Core Financial Controls remit. HR has overall responsibility for ensuring an accurate, secure and timely payroll service across all staff groups. In the HR structure, payroll and employee services (transactional HR) work is combined



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and is moving to be provided through a service desk facility. A significant project is currently being undertaken to automate payroll as it is still largely paper based. HR and Finance are jointly working on this.

1.7 In addition to the findings summarised below, we also found the following examples of good practice:

- There are robust controls in place for Payroll, Grant Income and Treasury Management.

1.8 An area for improvement was identified. This high priority recommendation is listed below:

- The June 2014 VAT claim was submitted late which resulted in delayed income of approximately £63k. We were advised this was due to staff leave.

1.9 Recommendations summary:

In order to provide an assurance on the extent to which the risks identified are managed, our review focussed on the main business objectives within the Core Financial Controls.

Progress in implementing the management actions will be tracked and reported to the Overview & Audit Committee.

Business Objective	Risk	Findings		
		High	Medium	Low
Financial Control Framework	The Financial Regulations and Financial Instructions are not kept up to date and as a result inconsistent practices are adopted and/or staff do not comply with management requirements.		1	
	General Ledger and Capital, Policies, procedures and guidance do not reflect current working practices / requirements.		1	
	Virement requests are not authorised in line with requirements.		1	
Creditors	The Accounts Payable totals do not agree with the General Ledger, and the Authority's accounts are misstated.			1



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Debtors	The Accounts Receivable totals do not agree with the General Ledger, and the Authority's accounts are misstated.			1
General Ledger	Appropriate supporting information is not retained to justify the reason for journal postings.			1
	Current Financial procedure documents for journals and virements do not include the manual procedures, controls and documentation that are required.		1	
VAT	VAT is not correctly accounted for and the Authority loses potential income and/or incurs penalties / surcharges due to late submission of returns.	1		
TOTAL		1	4	3

The detailed findings are summarised in Section 3 of this report. All findings have been discussed with the Acting Head of Finance who has agreed all the findings and produced an action plan to implement them.

- 1.10 There were no aspects of this audit which were considered to have value for money implications for the Authority or which indicated instances of over control. Any relevant findings will have been included in the findings and recommendations section of this report.



2. Background

- 2.1 The audit review of Core Financial Controls formed part of the agreed audit programme for 2014/15. The review was carried out during January 2015.
- 2.2 The Core Financial Controls area was categorised as high risk as part of the audit needs assessment exercise based on its relative importance to the achievement of the Authority's corporate objectives. The Authority's objective for the area is to ensure that key controls are in place to ensure financial governance. The objective of our audit was to evaluate the area with a view to delivering assurance as to the adequacy of the design of the internal control system and its application in practice. A summary of the scope of this review can be seen in Appendix A.
- 2.3 The outcome of the previous audit in this area can be summarised as:

Date of last audit:	April 2014	
Overall last audit opinion:	Substantial	
Number of recommendations agreed with Management last audit (this includes Treasury Management which was reported separately for 2013/14):	High	1
	Medium	5
	Low	5
Follow Up: Number of recommendations implemented by Management since last audit:	High	1
	Medium	3
	Low	5

The outstanding recommendations have been restated in this report.



3. Recommendations and Action Plan

The control description column details the actual controls that should be established to mitigate identified risk. The Issues and Consequences column details the results of analysis and tests carried out.

The priority of the findings and recommendations are as follows:

High immediate action is required to ensure that the objectives for the area under review are met.

Medium action is required within six months to avoid exposure to significant risks in achieving the objectives for the area under review.

Low action advised within 9 months to enhance control or improve operational efficiency.

	Control description	Issues & Consequences	Recommendation	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
Key Risk Area		VAT				
1	A VAT return is submitted online on a monthly basis.	<p>Sample testing of two months over the period April 2014 to November 2014 was undertaken to confirm that whilst no issues were identified from the sample testing, it was noted that the June and July 2014 VAT returns were both completed at the same time. This was due to the Finance Officer being on annual leave. This resulted in the June 2014 VAT return being submitted late by 19 days.</p> <p>Missed or late VAT submissions could result in delayed or loss of potential income (in the Authority's case) or the payment</p>	VAT returns should be submitted online on a monthly and timely basis. In a situation where the Officer performing this task is absent, cover should also be established.	High	Since July 2014, an additional officer is now able to complete the VAT return. A further additional officer will be trained to complete the return in early 2015/16 to add further resilience.	<p>Who to be actioned by:</p> <p>Acting Head of Finance</p> <p>When to be actioned by:</p> <p>June 2015</p>



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Core Financial Controls – Internal Audit Report**

	Control description	Issues & Consequences	Recommendation	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
		of surcharges or penalties.				
Key Risk Area	Financial Control Framework					
2	<p>Financial Regulations, Financial Instructions and Contract Standing Orders are:</p> <ul style="list-style-type: none"> • reviewed on a regular basis; • approved; • comprehensive and cover all financial systems; and • available to all staff. 	<p>Internal Audit confirmed that the latest Financial Regulations, Financial Instructions and Contract Standing Orders (June 2014):</p> <ul style="list-style-type: none"> • contain requirements for all financial systems within the Authority; • were approved by the Fire Authority on the 24th June 2014; • were published and the latest approved copies are available to staff; and • staff have been made aware of changes. <p>However, the documents have not been reviewed and updated with necessary changes.</p> <p>Where the financial regulations and instructions are not reviewed and updated on a regular basis, there is a risk that they may be out-of-date which may result in inconsistent practices and non-compliance.</p>	<p>The Financial Regulations and Financial Instructions should be updated with all necessary changes.</p>	<p>Medium</p>	<p>The Financial Regulations were approved in June 2014 and will be reviewed during 2015/16 to determine if any further updates are required.</p> <p>The update to the Financial Instructions was delayed to accommodate changes required as a result of the Gartan Payroll automation project.</p>	<p>Who to be actioned by:</p> <p>Acting Director of Finance & Assets</p> <p>When to be actioned by:</p> <p>December 2015 (Financial Regulations)</p> <p>April 2015 (Financial Instructions)</p>



**Buckinghamshire and Milton Keynes Fire Authority
Core Financial Controls – Internal Audit Report**

	Control description	Issues & Consequences	Recommendation	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
3	Policies, procedures and guidance documents provide adequate detail concerning the accounting practices to be followed.	<p>General Ledger and Capital guidance had not been reviewed or updated in the last two years (August 2005 & April 2012 respectively).</p> <p>Where the General Ledger and Capital guidance is not reviewed or updated on a regular basis, there is a risk that inconsistent and/or inefficient practices are followed and staff fail to act in accordance with management requirements.</p>	The General Ledger and Capital policies, procedures and guidance should be reviewed and updated on a regular basis.	Medium	<p>The General Ledger and Capital guidance will be reviewed.</p> <p>It is likely that a number of procedures will need to be revised during 2015/16 if a replacement finance system is implemented.</p>	<p>Who to be actioned by:</p> <p>Acting Head of Finance</p> <p>When to be actioned by:</p> <p>March 2016</p>
4	An appropriate system exists for monitoring of costs against budget and to report exceptions that have been identified to senior management for action.	<p>Re-stated</p> <p>As noted in last year's audit, authorisation for virements between £50,000 to £150,000 requires SMT approval and had not been sought for two out of three items within this approval threshold. In each case, authorisation was by the Director of Finance and Assets.</p> <p>There is a risk that virements may be actioned without proper authority.</p>	<p>Re-stated management action:</p> <p>Management should review section 30 of the Financial Instructions to confirm suitability and then ensure that virement requests are authorised in line with requirements.</p>	Medium	<p>The update to the Financial Instructions was delayed to accommodate changes required as a result of the Gartan Payroll automation project (see also Recommendation 1).</p> <p>Virements are authorised in line with the current Instructions. Any changes required will be made as part of the update.</p>	<p>Who to be actioned by:</p> <p>Acting Director of Finance & Assets</p> <p>When to be actioned by:</p> <p>April 2015 (as per Recommendation 1)</p>



**Buckinghamshire and Milton Keynes Fire Authority
Core Financial Controls – Internal Audit Report**

	Control description	Issues & Consequences	Recommendation	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
	Key Risk Area	General Ledger				
5	Guidance relating to accounting in policies and procedures is fit for purpose and up to date.	Re-stated The Finance team have a library of procedure guidance which includes 'how to' guidance on executing a variety of SAP transactions including journals and virements. Overall process guidance including such matters as completion of documentation, supporting documentation required, documents to be filed, etc. are not included. There is a risk that guidance relating to accounting in policies and procedures is not fit for purpose and not up to date.	Re-stated Current Finance procedure documents should be extended to include the manual procedures, controls and documentation that are required in addition to the SAP system actions to be taken.	Medium	These requirements are being added to new and revised procedures as and when written. It is likely that a number of procedures will need to be revised during 2015/16 if a replacement finance system is implemented.	Who to be actioned by: Acting Head of Finance When to be actioned by: March 2016
6	Adequate documentation of the nature and justification for journals is maintained.	For a random sample of 25 journals raised over the period April 2014 to January 2015, we identified that two journals did not have backing documents attached. There is risk incorrect and/or inappropriate journal postings are processed.	Backing documentation to justify journals should be retained.	Low	Although the reasons for the journals were largely self-explanatory to Finance staff, additional explanation will be maintained to ensure clarity for audit purposes.	Who to be actioned by: Acting Head of Finance When to be actioned by: April 2015



**Buckinghamshire and Milton Keynes Fire Authority
Core Financial Controls – Internal Audit Report**

	Control description	Issues & Consequences	Recommendation	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
Key Risk Area		Creditors				
7	The creditors control account is reconciled on a regular basis and authorised by an appropriate officer.	Currently, creditors control account reconciliations are undertaken on an annual basis (for year-end accounts purposes). There is a risk that inconsistencies between the control account and the ledger are not identified in a timely manner and additional resource is spent in investigating the differences.	The creditors control accounts should be prepared and reconciled by a member of the Finance Team on a quarterly basis and authorised by an appropriate officer.	Low	The creditors control accounts reconciliation will be undertaken and authorised on a quarterly basis. The first quarter of 2015/16 (April – June) will be completed in July 2015.	Who to be actioned by: Acting Head of Finance When to be actioned by: July 2015
Key Risk Area		Debtors				
8	The debtors control account is reconciled on a regular basis and authorised by an appropriate officer.	Currently, debtors control account reconciliations are undertaken on an annual basis (for year-end purposes). There is a risk that inconsistencies between the control account and the ledger are not identified in a timely manner and additional resource is spent in investigating the differences.	The debtors control account should be prepared and reconciled by a member of the Finance Team on a quarterly basis and authorised by an appropriate officer.	Low	The debtors control accounts reconciliation will be undertaken and authorised on a quarterly basis. The first quarter of 2015/16 (April – June) will be completed in July 2015.	Who to be actioned by: Acting Head of Finance When to be actioned by: July 2015



Appendix A

AUDIT SCOPE AND FRAMEWORK

4. Specific Audit Scope

- 4.1 We have evaluated the area against the following identified risks which we agreed with management:

Financial Control Framework

- Financial Regulations/Instructions are not comprehensive, up to date or approved.
- Financial risks are not identified or managed in accordance with the corporate risk management policy.
- Staff are unaware of roles and responsibilities.
- Access controls and segregation of duties are inadequate.
- Inadequate or lack of, budgetary control results in budget over/under spends.

Creditors

- Creditor payments are not authorised, accurate, timely or not in respect of goods and services received by BMKFA.

Debtors

- All income due to the organisation is not properly identified, allocated or accounted for.
- Income due has not been invoiced, received or action taken to recover the debt.

Payroll

- Payments are made to people who are not bona fide and payments are not at the correct and authorised rate.

General Ledger

- Financial transactions are not accurately or completely recorded in the General Ledger.
- Transactions are not authorised or supported by documentary evidence.

Grant income

- Grant income is not properly planned, identified, allocated or accounted for.

Capital

- There is no approved Capital programme and capital assets are not



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recorded or accounted for correctly.

Banking and Reconciliations

- Banking transactions are not bona fide, accurate or authorised.
- Reconciliations are not carried out and signed off out on a regular basis.

VAT

- VAT is not correctly accounted for by the Authority and VAT returns are not made in a timely manner.

Treasury Management

- Treasury Management strategy is not approved, or may not be in line with recommended practices and legislation.
- Transactions are not appropriately authorised.
- The integrity and reliability of the treasury management system is compromised due to inadequate access controls.
- Information received by Treasury Management to enable effective cash flow forecasting to take place is insufficient, inaccurate or not prompt.
- Lack of reporting and monitoring of Treasury Management activity.

- 4.2 Following preliminary risk assessments, the following processes were not included within the scope of this review and will be considered for inclusion within future audits of the area:

- Budget Setting and Monitoring (to be included in 15/16 Audit Plan)
- Asset Management (to be included in 15/16 Audit Plan)
- Pensions (audited at BCC)

5. Staff Interviewed

- Mark Hemming, Acting Head of Finance
- Jayshree Takodara, Interim Management Accountant
- Asif Hussain, Accountant
- Mark Stevens, Accountant
- Laura Taylor, Finance Assistant
- Linda Blunt, Finance Officer
- Richard Cook, Finance Officer
- Marcus Hussey, Finance Assistant
- Kerry McCafferty, Head of Human Resources
- Carol Culling, Employee Services & Payroll Manager
- Carly Humphrey, Employee Services & Payroll Manager Team Leader



**Buckinghamshire and Milton Keynes Fire Authority
Core Financial Controls – Internal Audit Report**

6. Audit Methodology and Opinions

- a. The audit was undertaken using a risk-based methodology in a manner compliant with the CIPFA Code of Practice. The audit approach was developed with reference to the Internal Audit Manual and by an assessment of risks and management controls operating within each area of the scope. Where we consider that a risk is not being adequately managed, we have made recommendations that, when implemented, should help to ensure that the system objective is achieved in future and risks are reduced to an acceptable level.
- b. The matters raised in this report are only those, which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the risks that exist or all improvements that might be made.
- c. Each audit will result in an overall ‘audit assurance’. A detailed summary will be provided to the Overview and Audit Committee for all ‘limited’ assurance opinion reports. The range of audit opinions is outlined below:

ASSURANCE	SUBSTANTIAL	REASONABLE	LIMITED
Adequacy of risk management techniques employed within the area.	Thorough processes have been used to identify risks. Action being taken will result in risks being mitigated to acceptable levels. No more monitoring is necessary than is currently undertaken.	The action being taken will result key risks being mitigated to acceptable levels. Some additional monitoring is required.	No action is being taken, OR insufficient action is being taken to mitigate risks. Major improvements are required to the monitoring of risks and controls.
Adequacy of the existing control framework to reduce identified risks to an acceptable level.	Controls are in place to give assurance that the system’s risks will be mitigated.	Most controls are in place to give assurance that the system’s key risks will be managed but there are some weaknesses.	The control framework does not mitigate risk effectively. Key risks are not identified or addressed.
Adequacy of compliance with the existing control framework.	The control framework is generally complied with. Emerging risks are identified and addressed in a timely manner.	Compliance with the control framework mitigates risk to acceptable levels, except for the risks noted.	Compliance is poor so risks are not being mitigated to acceptable levels and it is probable that some objectives will not be, OR are not being achieved.

- d. The responsibility for a sound system of internal control rests with management. Internal audit procedures are designed to focus on areas identified by management as being of greatest risk and significance. Effective implementation of our recommendations by management is important for the maintenance of a reliable internal control system.



Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	15 July 2015
OFFICER	Maggie Gibb – Internal Audit Manager David Sutherland – Acting Director of Finance & Assets
LEAD MEMBER	Chairman of Overview and Audit Committee
SUBJECT OF THE REPORT	Internal Audit Report: Update of progress of audit recommendations
EXECUTIVE SUMMARY	<p>The purpose of this paper is to update members on the progress of the implementation of audit recommendations made as at 8 June 2015.</p> <p>Any further progress against outstanding recommendations will be verbally presented to the Overview and Audit Committee on 15 July 2015.</p> <p>This report includes one annex:</p> <p>A: An update on the progress of implementation of new audit recommendations and those previously reported as not yet implemented.</p> <p>In total there are 54 recommendations to report on the status of which are classified as follows:</p> <p>Green (Implemented) 42/54 (78%) Amber (on track not yet due) 12/54 (22%) Red (not implemented, due date revised) 0</p> <p>There are no outstanding recommendations to bring to the attention of the Overview and Audit Committee at this time.</p> <p>Internal Audit continues to actively monitor implementation of all outstanding recommendations throughout the year.</p>
ACTION	Information.
RECOMMENDATIONS	That members note the progress on the implementation of recommendations.
RISK MANAGEMENT	There are no risk implications arising from this report.
FINANCIAL IMPLICATIONS	The audit work is contained within the 2014/15 budget.

LEGAL IMPLICATIONS	There are no legal implications arising from this report.
HEALTH AND SAFETY	There are no health and safety implications arising from this report.
EQUALITY AND DIVERSITY	There are no equality and diversity implications arising from this report.
USE OF RESOURCES	Communication and progress monitoring All audits, follow up reports and further updates will be submitted to this committee
PROVENANCE SECTION & BACKGROUND PAPERS	Internal Audit Plans 2013/14 and 2014/15 Internal Audit reports taken to Overview and Audit Committee
APPENDICES	Annex A - An update on the progress of implementation of new audit recommendations and those previously reported as not yet implemented.
TIME REQUIRED	5 minutes.
REPORT ORIGINATOR AND CONTACT	Maggie Gibb – Risk and Insurance Manager mjibb@buckscc.gov.uk

ANNEX A:

Status of Internal Audit recommendations – June 2015

Audit Assignments	Date of final audit report	Overall Assurance	No of recommendations made	No of recommendations Implemented	Implemented since last meeting	Direction of Travel (see notes)	Status of recommendations at 8 June 2015		
							Red	Amber	Green
2013/14									
Core Financial Controls	April 2014	Substantial	8	8	3	↑	0	0	8
Treasury Management	April 2014	Substantial	3	3	1	↑	0	0	3
Fleet Management	October 2013	Reasonable	4	4	4	↑	0	0	4
ICT Strategy	March 2014	Reasonable	8	8	8	↑	0	0	8*
2014/15									
Risk Management	November 2014	Substantial	3	3	1	↑	0	0	3
HR People Management	April 2015	Substantial	2	1	1	↑	0	1	1
Corporate Governance	February 2015	Reasonable	13	8	8	↑	0	5	8
Housing Accommodation and Allowances	March 2015	Reasonable	5	4	4	↑	0	1	4
Core Financial Controls	March 2015	Substantial	8	3	3	↑	0	5	3
Totals			54	42	33		0	12	42

Notes for Overview and Audit Committee:

* Compensating control action implemented for recommendation number 3 as agreed with Head of Service Transformation and Internal Audit:

We have implemented a compensating control action for recommendation 3 rather than implementing a programme coordinator role. It was explained at the Overview & Audit Committee when the report was presented that we have approached this in a different way by changing the terms of reference of our internal meetings, in order to govern our projects and programmes through these structures and boards which will be reviewed at regular intervals.

Direction of travel indicates how well recommendations have been progressed since previous Overview and Audit Committee meeting.



Further recommendations have been implemented in period



No recommendations due for implementation in period



Recommendations due for implementation have not been actioned



Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	15 July 2015
OFFICER	Ian Dyson, Chief Internal Auditor David Sutherland, Acting Director of Finance & Assets
LEAD MEMBER	Chairman of Overview and Audit Committee
SUBJECT OF THE REPORT	Annual Report of the Chief Internal Auditor 2014/15
EXECUTIVE SUMMARY	<p>To present the draft Annual Report to the Overview and Audit Committee.</p> <p>In line with best practice, an annual report on the internal control environment is presented to those charged with governance.</p> <p>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.</p> <p>This opinion is reflected in the Annual Governance Statement.</p>
ACTION	Information.
RECOMMENDATIONS	It is recommended that members review and note the contents of the Annual Report and advise of any suggested amendments.
RISK MANAGEMENT	There are no risk implications arising from this report.
FINANCIAL IMPLICATIONS	The audit was contained within the 2014/15 budget.
LEGAL IMPLICATIONS	There are no legal implications arising from this report
HEALTH AND SAFETY	No direct impact.
EQUALITY AND DIVERSITY	No direct impact

USE OF RESOURCES	<u>Communication and progress monitoring</u> The next Annual Report will be presented to SMB and the Overview and Audit Committee in June/July 2016.
PROVENANCE SECTION & BACKGROUND PAPERS	Internal Audit Plan 2014/15. Internal Audit reports taken to Overview and Audit Committee.
APPENDICES	Annual Report of the Chief Internal Auditor 2014/15
TIME REQUIRED	10 minutes.
REPORT ORIGINATOR AND CONTACT	Maggie Gibb – Risk and Insurance Manager mgibb@buckscc.gov.uk

**Buckinghamshire & Milton Keynes Fire
Authority**



**Internal Audit Service
Annual Report of the Chief Internal Auditor
2014/15**

**Internal Audit Service
Annual Report of the Chief Internal Auditor 2014/15**

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APPENDIX I: Summary of Audit Opinions 2014/15

1 Background

- 1.1 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 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.
- 2.2 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 are the systems and controls for which they are responsible.

3. Opinion on the Fire Authority's Internal Control Environment Summary

3.1

In my opinion the system of internal control provides **reasonable** assurance regarding the effective, efficient and economic exercise of the Authority's functions. During 2014/15 there has been continued improvement to Bucks & Milton Keynes Fire Authority's system of internal control through the on-going development of policies and procedures covering the key control processes. This demonstrates a positive direction of travel towards robust and effective internal control and risk management that will facilitate the effective exercise of the Authority's functions.

- 3.2 The audit activity in 2014/15 has demonstrated that the Authority continues to improve and develop its key governance processes, and remains focussed on creating a strong system of internal control. The opinion is consistent with the outcomes of the individual audits, in which of the 6 audits completed all had opinions of "reasonable" or "substantial" assurance.

- 3.3 A summary of our assignment outcomes and work completed during the year is shown in Appendix I.

4 Anti-Fraud

- 4.1 We continue to work closely with the Acting Director of Finance and Assets on fraud awareness, and our work on the core financial systems includes a review of the key anti-fraud controls. There have been no suspected frauds or financial irregularity brought to the attention of the Chief Internal Auditor during 2014/15.

5 Basis of Audit Opinion

- 5.1 The Internal Audit Service has an Audit Strategy which complies with the CIPFA Code and are summarised within the Service Level Agreement. These require Internal Audit to objectively examine, evaluate and report on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.
- 5.2 The Internal Audit Plan was developed in consultation with the Director of Finance and Assets to focus specifically on financial management and corporate processes. 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. The Internal Audit Plan was approved by the Overview and Audit Committee.
- 5.3 The former Director of Finance and Assets left the organisation towards the end of the financial year. Appropriate restructuring was carried out immediately to fill this key post and mitigate the risk.
- 5.4 A summary of the work undertaken during the year forming the basis of the audit opinion on the internal control environment is shown in the Appendices. Agreed management actions arising from audit recommendations are monitored and status of implementation reported regularly to the Overview and Audit Committee.
- 5.5 In addition, in arriving at our opinion, we have taken into account:
- The results of all audits undertaken as part of the 2014/15 Audit Plan.
 - The results of follow-up action taken in respect of audits from previous years.
 - Whether or not any 'high' 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.

5.5 In giving our audit opinion, it should be noted that assurance can never be absolute. The most that the Internal Audit Service can provide to the Accountable Officers is a reasonable assurance that there are no major weaknesses in risk management, governance and 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.

6. The Audit Team

6.1 The Internal Audit Service is provided by Buckinghamshire County Council. The team works to the CIPFA Code of Practice. All staff are qualified or part-qualified with either ACCA, IIA, QICA or AAT qualifications. The Service mixes resources between in-house staff and external partners.

**Ian Dyson
Chief Internal Auditor
June 2015**

APPENDIX I

1 Summary of audit outcomes for year.

1.1 Table 1: Audits undertaken and assurance opinion.

Audit assignments	Level of assurance that risks material to the achievement of the system's objectives are adequately managed and controlled.			
	Days	Adequacy of controls	Adequacy of compliance	Overall Assurance
Core Financial Controls	30	Substantial	Reasonable	Substantial
Risk Management	5	Substantial	Substantial	Substantial
ICT Strategy	10	Reasonable	Reasonable	Reasonable
Corporate Governance	10	Reasonable	Reasonable	Reasonable
HR People Management	5	Substantial	Substantial	Substantial
Housing Accommodation and Allowances	5	Reasonable	Reasonable	Reasonable
Control Centre	5	Carried forward to 15/16		
Follow Ups	10			
Corporate work/Audit Management	10			
Total	90			

1.2 The days for Corporate Work/Audit Management covers management supervision and quality assurance on audit assignments, adhoc advice, and also detailed reports to Members on the implementation of recommendations from previous audit reports. The time spent by management has included attendance at meetings, responding to queries and requests for advice and the drafting of annual plans and reports for Committee.

1.3 Audit Methodology

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:-

- Substantial - All controls are in place to give assurance that the system's objectives will be met.
- Reasonable - Most controls are in place to give assurance that the system's objectives will be met but there are some minor weaknesses.
- Limited - There are not the necessary controls in place to give assurance that the system's objectives will be met.

- 1.4 An audit plan for 2014/15 was approved by the Audit Committee on 12 March 2014, and subsequently reviewed at each meeting thereafter. No revisions were made to the plan during the year.

DRAFT


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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	15 July 2015
OFFICER	David Sutherland, Acting Director of Finance & Assets
LEAD MEMBER	Chairman of the Overview and Audit Committee
SUBJECT OF THE REPORT	Financial Instructions
EXECUTIVE SUMMARY	<p>These instructions are part of the financial control framework, which exists both to ensure the proper application and control of public money and to safeguard the officers involved in financial processes. The framework includes the Authority's Standing Orders Relating to Contracts, Financial Regulations, these Instructions and any manuals of guidance or financial policy statements issued by the Authority. The Chief Finance Officer, in consultation with the Chief Fire Officer, issues these Instructions.</p> <p>This report presents the updated Financial Instructions as approved by the Chief Fire Officer and Acting Director of Finance and Assets in May 2015. The changes were required to update role titles, clarify the acceptance of electronic signatures or system workflow authorisation (e.g. Gartan Payroll) and to reflect substantive changes such as the introduction of purchasing cards and the removal of petty cash (Imprest) accounts.</p> <p>A more substantial overhaul of these Instructions will be required next year if the finance system is replaced as part of the business and systems integration project.</p>
ACTION	Information.
RECOMMENDATIONS	It is recommended that the updated Financial Instructions be noted.
RISK MANAGEMENT	No direct impact.
FINANCIAL IMPLICATIONS	No direct impact.
LEGAL IMPLICATIONS	Prior to 2011 the Financial Instructions required approval by a meeting of the full Authority on recommendation from the Overview & Audit

	Committee. At its meeting on 9 February 2011 the Authority amended its Terms of Reference so that approval was delegated to the Chief Finance Officer with the proviso that the Overview & Audit Committee receive a report from the Chief Finance Officer when there has been any variation to the Financial Instructions in the preceding twelve month period
HEALTH AND SAFETY	No direct impact.
EQUALITY AND DIVERSITY	No direct impact.
USE OF RESOURCES	No direct impact.
PROVENANCE SECTION & BACKGROUND PAPERS	Financial Regulations http://bucksfire.gov.uk/files/2914/1528/8562/08. FINANCIAL REGULATIONS - CFA 24 June 2014.pdf Standing Orders Relating to Contracts http://bucksfire.gov.uk/files/2914/0439/0310/STANDING-ORDERS-CONTRACTS.pdf Minutes of the meeting of the Authority held on 9 February 2011 http://bucksfire.gov.uk/files/2714/0628/6311/BMKFA200411.pdf
APPENDICES	Appendix A – Financial Instructions
TIME REQUIRED	5 minutes.
REPORT ORIGINATOR AND CONTACT	Mark Hemming mhemming@bucksfire.gov.uk 01296 744687

 <p>Buckinghamshire & Milton Keynes Fire Authority MAKING YOU SAFER PREVENTING PROTECTING RESPONDING WWW.BUCKSFIRE.GOV.UK</p>	Information Asset Owner:	Director of Finance and Assets
	Protective Marking:	PROTECT
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To:	Document Type:	<input checked="" type="checkbox"/>	Document Summary:
All Employees	Policy	<input type="checkbox"/>	Handbook that covers the financial rules and procedures to follow in line with BMKFA financial regulations and policies. Includes all operational and authorisation aspects of the SAP financial system, banking and cash management, budget setting and monitoring, ordering and receipting of goods and services, security of assets and stocks and stores management, taxation and more.
	Assessment	<input type="checkbox"/>	
	Procedure	<input checked="" type="checkbox"/>	
	Guidance Note	<input type="checkbox"/>	
	Technical Note	<input type="checkbox"/>	
	Information	<input type="checkbox"/>	
	Safety Critical	<input type="checkbox"/>	
Financial Instructions:			
Please note that as Documents are frequently updated, if you print a document, its accuracy cannot be guaranteed, always check for latest version.			

1. Document History

- 1.1 Version 4 – previous version approved 8th February 2011
- 1.2 Version 4.1 – a number of minor updates, the withdrawal of Imprest accounts and the replacement of credit cards with purchasing cards.

2. Introduction and Responsibility

- 2.1 These instructions are part of the financial control framework, which exists both to ensure the proper application and control of public money and to safeguard officers involved in financial processes.
- 2.2 The framework includes the Authority's Standing Orders as to Contracts, Financial Regulations, these Instructions and any manuals of guidance or financial policy statements issued by the Authority.
- 2.3 The Chief Finance Officer, in consultation with the Chief Fire Officer, issues these instructions.
- 2.4 References to "officer" include all employees of the Authority.
- 2.5 All references to Chief Finance Officer include his/her nominated deputy/deputies
- 2.6 All references to "sign" and "signature" include the use of electronic signatures/authorisation unless specifically referenced as "in ink".

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Procedure Note: Financial Instructions

INTRODUCTION AND RESPONSIBILITY

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

References to ‘officer’ include all employees of the Authority.

Finance are happy to provide assistance in all areas relating to financial management and financial control. In particular, you must seek advice if you are intending to create a new financial procedure, or amend an existing one.

The Chief Finance Officer welcomes feedback on the operation of Financial Instructions to ensure they remain relevant and effective. The Chief Finance Officer should be contacted if you have comments on the application or operation of particular instructions

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Financial Instructions

1. ANNUAL GOVERNANCE STATEMENT

Preamble

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

Instructions

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

Contact: [Chief Finance Officer](#) (ext 182)

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2. COUNTER-FRAUD AND CORRUPTION, ANTI-MONEY LAUNDERING

Preamble

The Authority expects its members and employees and all individuals and organisations with which it comes into contact to act honestly and with integrity and to adhere to legal requirements, rules, regulations and agreed procedures and practices. The Authority will not tolerate any level of fraud or corruption. It requires members and employees to deal promptly and appropriately with those who defraud or attempt to defraud the Authority or who are corrupt. This Instruction should be read in conjunction with the Authority's Counter- Fraud and Corruption Policy, Anti-Money Laundering Policy, Whistle Blowing Policy, Code of Conduct for Employees and Code of Conduct for Councillors and Co-opted Members.

Instructions

- 2.1 The Chief Finance Officer will develop and maintain an counter-fraud and corruption policy.
- 2.2 The Chief Finance Officer will develop and maintain an anti-money laundering policy.
- 2.3 Directors are responsible for ensuring that all of their employees are aware of and comply with these policies.
- 2.4 SMB are responsible for establishing and implementing effective controls to help prevent and/or detect incidents of fraud or corruption and for creating an environment where employees feel able to raise any concerns they may have (procedures as outlined in the whistle-blowing policy). Prevention work will include ensuring sufficient internal control checks and also ensuring division of duties (i.e. no one person is able to carry out a complete transaction without some form of checking or intervention process being built into the system).
- 2.5 The Director of Legal and Governance is responsible for maintaining the Register of Interests and the Register of Gifts and Hospitality and for ensuring that all employees are aware of the arrangements for registering interests and offers of hospitality and/or gifts.
- 2.6 The Authority's disciplinary rules for its employees are such that fraud and corruption are considered to be potential gross misconduct - Investigation work is to be swift and firm, Internal Auditors will assist officers to carry out investigations and sanctions will be taken against individuals or organisations to reduce the risk of fraud or corruption occurring including redress in the form of recovering losses and compensation where applicable.

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- 2.7 The Authority has an Anti-Money Laundering policy in place which requires all Members, Officers, employees, contractors and other stakeholders are aware of, and comply with the law against criminal activity through money laundering by reporting suspicions to the Chief Finance Officer (or Director of Legal and Governance in his absence) as Money Laundering Reporting Officer. For HMRC compliance, “an occasional transaction” is 15,000 Euro’s or sterling equivalent.

- 2.8 The Authority shall establish arrangements for co-operation and joint working with other bodies, including the police, external audit and other local authorities and shall fully participate in multi-agency initiatives aimed at fraud prevention.

Contact: [Chief Finance Officer](#) (ext: 182)

3. BANKING

Preamble

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

Instructions

- 3.1 All matters connected with the Authority’s banking activities shall be undertaken through the banking contract approved by the Executive Committee and under arrangements approved by the Chief Finance Officer. All bank accounts shall bear the Authority’s name.

- 3.2 No employee other than the Chief Finance Officer shall open a bank account in connection with the Authority’s banking activities.

- 3.3 The only cheques to be used are standard issue bank cheques for use by the Finance department in exceptional circumstances. All other payments shall be made either by BAC’s CHAPS or bank electronic transfer payment arranged by the agreement of the Chief Finance Officer. No direct debit payments may be arranged without the agreement of the Chief Finance Officer.

- 3.4 All bank accounts shall be reconciled and signed on at least a monthly basis. Any account which does not reconcile should be reported immediately to the Chief Finance Officer.

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- 3.5 The Chief Finance Officer will ensure that the processes for the following will involve more than one officer, and are configured so that authorisation and access security actively prevent one officer from carrying out the whole process:
- Making a cash, cheque, BACS or CHAPS payment;
 - Making an electronic Bank transfer
 - Receiving income and banking and
 - Reconciling bank accounts
- 3.6 Employees banking Authority monies should use a branch of the Authority’s bankers (currently Lloyds Bank).
- 3.7 In the event of software and/or connection problems, a facility is available through Bottomline software to send BACS files created within SAP for creditors and payroll manually in an emergency. Finance should follow procedure note 235 AP Hands Free.

Contact: [Financial Accountant](#) (ext: 140)

4. BUDGET MONITORING

Preamble

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

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

Instructions

- 4.1 Cost Centre Managers have delegated authority to manage their approved budget allocation. They have primary responsibility for maintaining budgetary control within their service areas and are expected to exercise their discretion in managing budgets responsibly and prudently.
- 4.2 Cost Centre Managers may delegate budget management responsibilities to other employees; however they retain overall responsibility for the management of the budgets and for all income and expenditure within their cost centres.

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- 4.3 As a general principle budget responsibility should be aligned as closely as possible to the decision-making that commits expenditure.
- 4.4 Directors and Second Tier Managers must ensure that:
- They and their Cost Centre Managers understand their financial responsibilities as outlined by Financial Regulations, Financial Instructions, and other guidance and procedure notes as appropriate;
 - All Cost Centre Managers are appropriately trained to carry out their budgetary control responsibilities. All Cost Centre Managers must attend Financial Training courses for Cost Centre Managers, organised by the Finance Department.
- 4.5 Cost Centre Managers must ensure income and expenditure are properly recorded and accounted for and appropriate documentation is retained.
- 4.6 Cost Centre Managers must follow the laid down rules of Electronic Ordering to ensure that appropriate segregation of duties exist to ensure that the same individual cannot raise orders, confirm receipt of the goods, certify invoices and undertake budget monitoring
- 4.7 Directors and Second Tier Managers should ensure that a monitoring process is in place to review performance level/levels of service in conjunction with the budget, and is operating effectively.
- 4.8 Senior Managers should ensure that spending remains within their service area's overall budget allocation and that individual cost centres are not overspent, by monitoring the budget and taking appropriate corrective action where significant variations from the approved budget are forecast.
- 4.9 Cost Centre Managers should undertake budget monitoring on a monthly basis within SAP in accordance with the latest Budget Monitoring Forecast Year End Out-turn manual. Variances should be identified on SAP at the earliest opportunity (and within the timescales notified by the Chief Finance Officer) and be supported by an action plan on how this is to be managed by the year end. Such action plans should be continuously monitored.
- 4.10 Cost Centre Managers should discuss the monthly budget monitoring information with Finance and provide any other information required by the Chief Finance Officer to enable a budget monitoring report to be prepared for SMB, and the Executive Committee.

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- 4.11 Budget profiling should be used to facilitate effective budget monitoring. Cost Centre Managers should profile their budgets on a periodic basis. If it is considered appropriate, Cost Centre Managers should request amendments to budget profiles during the year.
- 4.12 Virements may be used to assist with budget management if undertaken in accordance with Financial Instruction 30 (*virements*)
- 4.13 There should be prior approval by the Chief Finance Officer and the Authority, the Executive Committee or SMB (as appropriate) for new proposals, of whatever amount, that:
 - Create financial commitments in future years, as these have not formally been approved
 - Change existing policies, initiate new policies or cease existing policies
 - Materially extend or reduce the Authority’s services

A report on new proposals should explain the full financial implications, following consultation with the Chief Finance Officer. Unless the Executive Committee or Authority has agreed otherwise, officers must plan to contain the financial implications of such proposals within their budget.

- 4.14 The Chief Finance Officer shall establish an appropriate framework of budgetary management and control that ensures that:
 - Budget management is exercised within annual cash limits unless the Authority agrees otherwise
 - Each Senior and Cost Centre Manager has available timely information on expenditure and income on each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities, this is currently provided through SAP
- 4.15 The Chief Finance Officer will prepare and submit reports on the Authority’s forecast outturn to SMB and the Executive Committee on a regular basis.
- 4.16 The Chief Finance Officer will ensure that significant variances (positive or negative) from approved budgets are identified and investigated along with intended remedial action to bring back in line with the budget.

Year End

- 4.17 Following the end of the financial year and at a date to be determined by the Chief Finance Officer as detailed in the closing of accounts timetable, each Cost Centre Manager will notify the Finance Department in a format pre-determined by the Chief Finance Officer of

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any outstanding items of expenditure and income due relating to goods received or services rendered in the previous financial year not covered by electronic ordering.

4.18 Any under or overspends at the end of the year will not be carried forward into the new financial year.

Capital

4.19 In addition to the above, the following requirements apply specifically to capital projects:

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

Contact: [Management Accountant](#) (ext: 177)

5. CAPITAL

Preamble

Capital expenditure is an important element in the development of the Authority’s services. Capital assets shape the way services are delivered in the long term and create financial commitments for the future in the form of financing costs and revenue running costs. All capital investment must be supported by a Project Initiation Document (PID) for capital projects and submitted and approved in accordance with the Medium Term Financial Planning process (MTFP) set down by the Chief Finance Officer.

Instructions

5.1 A capital scheme can only go ahead once all the necessary approvals, outlined below, have been obtained.

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- 5.2 Each scheme will have a named project manager who is accountable for the scheme.

Business Case

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

Annual Approval Process for Capital Programme

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

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Monitoring

5.9 Monitoring of capital projects must be undertaken in accordance with procedures outlined in Financial Instruction 4 (*Budget Monitoring*).

Post Project Review

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

Further details

5.11 Further details on the process, procedures and responsibilities for obtaining approval to capital schemes are contained in the Cost Centre Manager’s Guide to Finance, available from the Finance Department.

Contact: [Management Accountant](#) (ext: 177)

6. CONSTRUCTION INDUSTRY SCHEME (CIS)

Preamble

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

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

Instructions

- 6.1 All contracts entered into on the Authority’s behalf will be subject to the Authority’s Standing Orders as to Contracts. Cost Centre Managers entering into contracts for works which fall under CIS must provide as much information as early as possible in the process before engaging the contractors for the first time.
- 6.2 Cost Centre Managers must provide all the required contractor details on a new supplier form to finance to ensure all future payments to the

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contractor are taxed correctly and the necessary returns are completed as required.

- 6.3 Finance will then contact HMRC to find out whether the contractor is registered for CIS and whether they should be paid gross or net of tax, and if net, what % level to deduct. It is not sufficient to rely on the contractor to give this information.
- 6.4 Invoices from contractors must show a breakdown of costs between labour and other costs in order to apply the correct tax deduction.
- 6.5 Finance must ensure all supporting information is held on file to support the end of year reconciliation and return to HMRC.
- 6.6 For guidance on what to do, what information is required from the contractor and contact details for HMRC, see CIS guidance on the *I-drive*.

Contact: [Financial Accountant](#) (ext 140)

7. CONTRACTS FOR BUILDING AND CIVIL ENGINEERING WORKS

Preamble

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

Instructions

- 7.1 All contracts entered into on the Authority’s behalf will be subject to the Authority’s Standing Orders as to Contracts.
- 7.2 All payments on account to contractors for building or civil engineering contracts shall only be made in accordance with a certificate issued by the appropriate architect or by such other person previously agreed with the Chief Finance Officer. Such certificates shall show:
 - The amount of the contract;
 - Any additional expenditure approved;
 - The total amount of certificates previously paid.
 - Where VAT is payable, the amount of the payment chargeable to tax and the amount of tax payable
 - The amount of the certificate; and

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- The percentage and amount of retention money, if any.
- 7.3 Where private architects, engineers or consultants are engaged to supervise contracts, they shall either sign the certificates or verify the sums due for subsequent authorisation by the appropriate authorised officer who appointed them.
- 7.4 Every extra or variation on a contract for building or civil engineering work shall be authorised in writing by an officer whose name shall be in a list approved by the Chief Finance Officer and reviewed annually, except that, where consultants have been engaged to supervise contracts, written authorisation will be given by the consultants in accordance with the terms of their appointment.
- 7.5 If an extra or variation on a contract results in the estimated costs of the tender or scheme exceeding that approved by the Authority, then the reason for and the amount of the extra or variation shall be reported to the Chief Finance Officer and subsequently to SMB and the Executive Committee for approval.
- 7.6 The final payment certificate of any contract shall not be issued until the appropriate architect, engineer or consultant has submitted to the Chief Finance Officer a detailed statement of account with particulars of additions, deductions, omissions and all relevant documents, as required.
- 7.7 Payment of all invoices must be processed in accordance with Construction Industry Scheme Tax requirements (see Financial Instructions 6 *CIS* and 16 *Invoices and Accounts for payment*).
- 7.8 No contracts may be let, nor any expenditure incurred in connection with any contract, unless the Authority has approved capital and/or revenue estimates in advance to cover such expenditure.
- 7.9 The Chief Finance Officer, or an officer nominated by him/her, shall, to the extent considered necessary, examine final accounts for contracts and shall be entitled to make such enquiries and receive such information and explanations as may be required, in order to establish the accuracy of the accounts. This requirement is in addition to auditor rights of access as outlined in Financial Regulations C.4.

Contact: [Head of Procurement](#) (ext: 136)/
[Financial Accountant](#) (ext: 140)

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8. PURCHASING CARDS

Preamble

Purchasing cards are issued to certain officers for the purchase of goods and services included in the Authority’s approved budget. These instructions provide guidance on the use of such cards and should be read in conjunction with the Authority’s Guidance on Purchasing Cards and Financial Instruction 16 (*Invoices and Accounts for payment*).

Instructions

- 8.1 The approval of the Chief Finance Officer is required for the issue of a purchasing card to an officer of the Authority.
- 8.2 Designated card holders are responsible for the security and use of the cards issued to them.
- 8.3 The cards should only be used for official business purposes and for expenditure, on goods or services, which is included in the Authority’s approved budget.
- 8.4 Purchase made using the purchasing card must follow the Authority’s processes and procedures for the approval of expenditure as set out in Financial Instruction 16 (*Invoices and Accounts for Payment*).
- 8.5 A receipt for all expenditure and where applicable a proper VAT invoice must be obtained. Each month full details for each item of expenditure should be recorded on a transaction log. This shall include details of the items purchased (including number, price, type etc) names of persons/guests for whom expenditure was incurred e.g. if a meal was purchased, the budget code for each item and any other relevant information. This transaction log should be duly signed and dated by the card holder countersigned by the line manager and forwarded to Finance, no later than the 12th day of the month together with all receipts/invoices. The relevant Finance Officer will verify the expenditure against the Authority’s card statements.
- 8.6 Failure to provide a receipt as proof of business usage may result in reimbursement for the costs being taken directly from the officer’s salary.
- 8.7 Purchasing card procurement must not be used to replace or circumvent the requirements of purchase orders and contracts (see Financial Instructions 7 (*Contracts for building and civil engineering works*) and 18 (*Ordering*)).

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8.8 The brigade reserves the right to withdraw purchasing cards where the procedures outlined above are not followed. The submission of false or fraudulent claims is considered gross misconduct; and as such may lead to disciplinary action.

Contact: [Financial Accountant](#) (ext: 140)

9. DEBT MANAGEMENT

Preamble

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

There may be occasions where due to the nature of the arrangement, (for example, secondment of officers where the amount is not known in advance), that a debtor invoice is raised to recover costs, this should be the method used as an exception rather than the norm as debt collection is a costly, time-consuming exercise and the Authority should be safeguarded from loss of income.

All monies invoiced by the Authority must be recovered and to that end outstanding debt must be monitored on a regular basis. Debts should be managed in accordance with these instructions together with the Authority's Financial Regulations D.5 and Financial Instruction 12 (*Income*).

- 9.1 Invoices must be raised on the relevant accounting system clearly showing full details of what the charge is for, the correct billing address and when the payment is due to be paid by as per Financial Instruction 12 (*Income*). The 'relevant accounting system' will be SAP unless the Chief Finance Officer has approved use of an alternative system.
- 9.2 The Chief Finance Officer will obtain a monthly debt report to provide information on outstanding debts.
- 9.3 If debt remains outstanding after the payment due date, the following action will be taken:-

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After
 7 days 1st reminder
 14 days 2nd reminder
 30 days Final contacts after that refer to legal for collection or another collection agency

- 9.4 Telephone calls and/or emails to outstanding debtors to chase payment are also acceptable if deemed appropriate. Details of such dialogue will be recorded on the SAP notes section for future reference.
- 9.5 The Chief Finance Officer reserves the right to charge interest on outstanding debts in accordance with BMKFRS conditions.
- 9.6 The Chief Finance Officer reserves the right to withhold credit for debtors with outstanding debts, this will be done in consultation with departments. Payment in advance for goods and services should be the standard terms and conditions.
- 9.7 If after the debt has been chased appropriately and it has not been recovered through the normal channels after 90 days, or following a recommendation for write off from Legal Services, consideration will be given to writing off the debt. The Chief Finance Officer will consult the cost centre manager/second tier manager whose budget will meet the cost of the write off.
- 9.8 No money due to the Authority shall be written off without the following authorisation:
 - For debts up to and including £500 in relation to any individual debtor – the Chief Finance Officer
 - For debts over £500 and up to £5,000 in relation to any individual debtor – the Chief Finance Officer and SMB
 - For debts over £5,000 in relation to any individual debtor – Executive Committee to approve on recommendation from Chief Finance Officer.
- 9.9 The Authority reserves the right to recover any debt incurred from an employee dismissed for fraud, theft or corruption.

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10. EXTERNAL FUNDING

Preamble

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

Instructions

- 10.1 Each area of external funding should have a defined responsible manager within the Authority. This individual should ensure that:
- All claims for funds are made by the due date;
 - All expenditure is properly incurred and recorded in accordance with the agreed funding;
 - Any match funding requirements are considered prior to entering into agreements and that these are reflected in future revenue budgets/medium term financial plans as appropriate
 - All external funding agreements, bids and claims are notified to the Chief Finance Officer prior to sending off to the fund provider

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

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

Contact: [Management Accountant](#) (ext: 177)

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11. IMPREST ACCOUNTS

Preamble

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

12. INCOME

Preamble

There must be proper processes and procedures in place for the receipt of all income due to the Authority and this instruction should be read in conjunction with Financial Regulations D.5, Financial Instruction 9 (Debt Management), and Anti-Money Laundering Policy, and Charging Policy.

Instructions

- 12.1 All systems of income collection and records of monies due to the Authority for payment into the Authority's bank account shall be approved in writing by the Chief Finance Officer. All debtor accounts should be raised and recorded on SAP, whether for income already received or for receipts due at a later date and regardless of the payment method.
- 12.2 Unless the provision of the service is of a statutory nature or otherwise stated in the charging policy, costs incurred in providing services should be fully recovered. Agreements should be made at "arms length" and discounts should not be given. For example, for fire training courses payment should be in advance, unless this is done then there will be no attendance allowed.
- 12.3 There may be occasions where due to the nature of the arrangement, (for example, secondment of officers where the amount is not known in advance), that a debtor invoice is raised to recover costs, this should be the method used as an exception rather than the norm as debt collection is a costly, time-consuming exercise and the Authority should be safeguarded from loss of income.
- 12.4 For exceptional cases where it has not been possible to collect payment in advance of providing the service and the raising of a debtor has received prior approval from the Chief Finance Officer, Cost Centre Managers must ensure the following:
 - that invoices are submitted promptly so that income due to the Authority is maximised. Cost Centre Managers should ensure that

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debtors accounts are raised on SAP within 24hours showing full details of the charge, the correct billing address and the date payment is due.

- For avoidance of doubt, payment due terms for the receipt of income is 14 days.
- The section that has provided the service or goods will be responsible for resolving all disputes and queries about costs of goods or services supplied within one week of supply.
- If a dispute results in a need to raise a credit note the section should contact the Finance Department immediately to request that a credit note is raised on SAP and provide full details of the reason for the credit, which will be recorded on SAP and included on the credit note. **The Finance Department should always be notified at the start and end of any disputes to prevent unnecessary reminders or legal referrals being sent out.**
- Debtor accounts for services provided continuously should be raised on SAP on at least a quarterly basis. This applies also to periodic income and recurring/regular income (e.g. employee secondments and telephone masts).
- Immediately after the end of each financial year, and not later than a date to be determined by the Chief Finance Officer each year, each Cost Centre Manager must notify the Finance Department, in a format determined by the Chief Finance Officer, of all outstanding debtors where work has been completed, goods supplied or services rendered in the previous financial year, to ensure that all monies due to the Authority are allocated to the correct financial year.
- Any outstanding income due from other public bodies or local authorities fall within the scope of the Local Authorities (Goods and Services) Act 1970 and are required to be separately identified.

12.5 For those items where income is due to the Authority but a debtor account is not raised, e.g. employee personal mobile phone calls, all income must be accounted for properly and in a timely manner.

12.6 Employees accepting monies on behalf of the Authority must always issue either an official receipt to the payee in a format approved by the Chief Finance Officer, or in the case of credit card payments the credit card receipt.

12.7 All official receipt forms will be generated by SAP which acknowledges income due to the Authority. For cash payments, two copies are generated one of which is kept at BFRS and one sent out to the cash payer.

12.8 Any employee who receives money on behalf of the Authority shall keep an accurate record of all receipts. All monies should be

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forwarded, with relevant supporting information, direct to the Finance Department as soon as possible and at least within one week of receipt. The relevant Finance Officer will receipt the income on SAP and ensure it is banked in a timely manner and at least within one week of receipt.

- 12.9 Monies received shall not be used to cash personal or any other cheques.
- 12.10 Where departments receive income by credit card these transactions shall be accounted for in compliance with the "Retailer Operating Instructions" supplied by the bank issuing the credit card terminal. We currently hold one in workshops. Should this facility be required in other departments for the future, the Cost Centre Manager must approach the Finance Department and seek approval from the Chief Finance Officer.
- 12.11 The Authority can accept direct debit payments. Cost Centre Managers must have prior approval from the Chief Finance Officer and provide information to the Finance Department to create this facility if appropriate.
- 12.12 All arrangements for the collection of income by electronic means shall be subject to the approval of the Chief Finance Officer.
- 12.13 The Chief Finance Officer is the appointed Money Laundering Reporting Officer (MLRO). Any cash receipt of a significant sum can only be accepted if processed in accordance with the Anti-Money Laundering Policy. In accordance with advice received from HMRC and the Anti-Money Laundering Policy, the Authority will not accept settlement in cash of any transaction above the value 15,000 euros equivalent (approximately £10,000).
- 12.14 Directors, Second Tier Managers and Cost Centre Managers are responsible for notifying the Chief Finance Officer of any grant income due and to ensure it is received and properly recorded in the Authority's accounts. They should also ensure that the funding is spent in accordance with the grant's terms and conditions. See section 10 External Funding.
- 12.15 Contact: [Financial Accountant](#) (ext: 140)

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13. INFORMATION SYSTEMS

Preamble

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

Instructions

- 13.1 The ICT Manager shall liaise with the Chief Finance Officer to ensure that there is a corporate approach to the implementation of the Authority’s financial system, its integration with other Authority systems and also to ensure that available technical expertise is utilised to the fullest extent.
- 13.2 The ICT Manager must obtain the Chief Finance Officers agreement for the proposed acquisition of, development of, or amendment to systems which involve financial operations or produce information which will form the basis of financial decisions.
- 13.3 The ICT Manager shall consult with and obtain the agreement of the Chief Finance Officer on the appropriateness of controls which need to be built into systems to achieve an acceptable level of security should the system interface with the Authority’s financial system.
- 13.4 Any new system or proposed development should comply with the principles of Best Value by offering systems of high quality to deliver agreed outputs at a competitive cost. Post Implementation Reviews should be carried out to establish whether the anticipated benefits were realised.
- 13.5 The ICT Manager is responsible for ensuring proper security, password protection, privacy and back-ups concerning information held in the Authority’s computer installations and for implementation and compliance with prevailing legal requirements.
- 13.6 An audit trail should exist to allow for an item to be traced both forward through the system from the initiation document or entry to the final destination or output, and backwards from the final destination to the initiation document.

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- 13.7 For the purpose of the Data Protection Act 1984, the ICT Manager will liaise with and advise the nominated Data Protection Officer. All employees are responsible for ensuring compliance with any legal statutory, regulatory or contractual obligations, including the requirements of the Data Protection Act.

- 13.8 The ICT Manager (ICT) shall be responsible for the safe custody of all computer hardware and software used by the Authority, including compliance with software licence agreements. He/she shall maintain an inventory of all equipment and application software in accordance with the requirements of Financial Instruction 15 (Inventories).

- 13.9 The ICT Manager shall, in consultation with the Business Continuity Manager and the Chief Finance Officer, develop and maintain recovery plans to ensure that systems can be restored within an acceptable timescale in the event of a disaster or software/hardware failure. Regular testing should take place to ensure the adequacy and effectiveness of such plans. All systems should be regularly backed up.

Contact: [ICT Manager](#) (ext: 150)

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14. INSURANCE

Preamble

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

Instructions

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

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Contact: [Financial Accountant](#) (ext: 140)

15. INVENTORIES

Preamble

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

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

Instructions

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

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

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

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

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

15.4 Where items of a material value (>£1000 per item or per group of items or as required for the Asset Management system) are found to be missing these should be reported immediately to the Chief Finance Officer and the relevant Second Tier Manager and Station Manager. If

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theft is suspected, the Chief Finance Officer will also notify Internal Audit as appropriate.

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

Surplus, obsolete or unserviceable items

- 15.10 A check should be made to determine whether there is a corporate policy for disposal of the item. For Red Fleet vehicles or items originally purchased from Capital where the disposal proceeds exceed £2,500 the Executive Committee must approve the method of disposal.
- 15.11 For items other than those to which the previous paragraph relates, disposal should be by public auction, trade-in, competitive tender or by obtaining three written quotes from suitable contractors/purchasers, or as approved by the Chief Finance Officer. All disposals are subject to obtaining advice from the Chief Finance Officer on the likely market for the items and the relative cost of disposal.

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15.12 Once the decision and approval to dispose of an asset has been taken and before disposal, all livery referencing to Buckinghamshire and Milton Keynes Fire Authority must be removed.

15.13 The officer responsible for the disposal must demonstrate that the Authority is receiving value for money and that the contractor used is reputable. The officer must comply with the Authority’s Anti-Money Laundering Policy. Evidence of all of these requirements must be retained by the responsible officer.

Disposal Methods

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

- **Public Auction**
 Auctions may be suitable for items for which there is likely to be keen competition from a wide market of potential cash purchasers or for items of an unusual nature but for which there is likely to be a ready market. An auction may quickly conclude competition and identify the successful bidder who will sign a binding contract at the sale. There is, therefore, a degree of immediacy provided by the auction process, which is absent in other methods of sale.

- **Formal Tender/Sealed Offers**
 Formal tenders may be considered appropriate where there is a defined market and a perceived demand for the item to be sold. As there is no flexibility in the post-tendering procedures, it may be felt that the use of this method restricts the market since interested purchasers may need to incur costs before submitting offers (which, if accepted, become legally binding) without any assurance that they will be successful. The sealed offer process is relatively simple and inexpensive both in terms of the Authority’s administration and financial commitment.

Contact: [Financial Accountant](#) (ext: 140)

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16. INVOICES AND ACCOUNTS FOR PAYMENT

Preamble

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

These instructions support Financial Regulations, in particular Financial Regulations D.4 to D.7. Invoices should be supported by an authorised order unless an exemption applies in Section 19

Instructions – General

- 16.1 In essence, the process begins with the entry of a requisition for goods or a service through the SAP system. Once the requisition has been raised, the system will notify the budget holder that it requires approval. If approved, Procurement will then convert the requisition into an official purchase order which will be sent to the supplier, where possible, by email. Once the goods or services have been received, the system will need to be updated with the goods receipt. Invoices will be sent directly from the supplier to the finance section for payment. Payment will only be authorised if the goods/services have been correctly receipted and price, VAT and discount details agree with the original purchase order (and within tolerance limits, currently the greater of 10% or £50).
- 16.2 Invoices must be paid through the SAP system using BACS and not through imprest accounts. Any waiver to this requirement must be authorised in writing by the Chief Finance Officer.
- 16.3 Where suppliers render accounts in non-paper format the Chief Finance Officer must first approve the process for requesting the goods and the payment of such accounts prior to the order being made.

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Instructions – Ordering Goods and Services

- 16.4 Financial Instruction 19 Order of Goods, Works and Services should be read and all procedural rules therein must be applied prior to creating any purchase orders in the SAP System.
- 16.5 Only officers authorised by the Cost Centre Manager and agreed by the Chief Finance Officer shall requisition purchase orders for works, goods or services on the SAP system. Manual orders are no longer permitted unless in exceptional circumstances – see financial instructions 19 Order of Goods, Works and Services
- 16.6 The Cost Centre Manager is responsible for ensuring arrangements are in place and substitutes are notified in the event of leave or sickness or when an employee leaves the Authority.
- 16.7 The requisitioner is responsible for ensuring correct procedures are followed as per the guidance for electronic ordering held on the *i-drive* and that the information on the requisition is sufficiently detailed and meaningful to enable good quality management information to be extracted from the SAP system.

Instructions – Authorisation

- 16.8 Once the requisition has been saved, workflow will generate an email to prompt the cost centre manager to either authorise, reject or put on hold the requisition.
- 16.9 The cost centre manager or his/her authorised representative shall use the SAP system to ensure:-
 - The supplier and requisition details are correct and reflect sufficiently the nature of the purchase order
 - The expenditure is covered by an approved budget;
 - Appropriate entries have been made in stores records or inventories as required
 - The account has not previously been passed for payment
 - The workflow requests for authorisation are carried out promptly and arrangements are made to ensure substitutes are set up in the system to act in the cost centre managers absence
 - Workflow requests for double checking are carried out fully where tolerance levels are exceeded before re-authorisation.
 - The Cost Centre Manager is responsible for ensuring arrangements are in place and substitutes are notified in the event of leave or sickness.

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16.10 Requisitions approved by the relevant cost centre manager will be turned into a purchase order by the procurement manager.

Instructions – Goods Receipting

16.11 Upon delivery or completion of the goods or services or works, the order must be confirmed as received using the appropriate method, e.g. entering a goods receipt transaction onto the SAP system, or completing a goods received form. *Financial Instruction 27 (Stocks and Stores) and Financial Instruction 15 (inventories) may also be applicable.*

16.12 The Cost Centre Manager or his/her authorised representative shall use the SAP system to ensure:

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

Instruction - Invoicing

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

16.14 Invoices should be sent to the Authority’s Finance section, where a number of checks will be carried out to match the invoice to the authorised purchase order in SAP:-

- The value of the invoice agrees within tolerance levels to the goods received and authorised order;
- The price(s) charged, discounts, tax rates and the arithmetic are correct. Note this is automatically calculated through the validation process in SAP but Finance will also do a random check on a weekly basis;
- Once the invoice is matched, it is given a document number and then scanned into SAP
- Once a week, a report will be run to verify that invoice numbers have not been allocated for the same vendor, to avoid duplication payments.

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16.15 There are automatic system checks in SAP which look at the following items and verify through the workflow system when 10% tolerance levels have been exceeded. If the tolerance level is exceeded the workflow system will generate a further email back to the Cost Centre Manager for investigation:

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

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

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

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

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

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

16.20 No amendments shall be made to Value Added Tax (VAT) invoices. All VAT invoices requiring amendment shall be returned to the supplier for any amendment necessary, in accordance with VAT regulations. For non-VAT invoices amendments can only be made with the permission of the supplier. Details of the changes agreed with the supplier,

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together with the name of the supplier’s representative agreeing to the changes, should be recorded on, or attached to, the invoice.

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

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

16.23 Where invoices relate to “construction” and fall within the terms of the HMRC Construction Industry Tax Deduction Scheme, the Chief Finance Officer will maintain records of those suppliers who carry out construction operations. If a tax deduction applies to the supplier, the SAP system will only allow input of invoices from the supplier by authorised Finance. The invoice will be checked against the approved purchase order, and a deduction will be taken from the invoice, net of VAT, and forwarded to HM Revenue and Customs. Refer to financial instruction 6 CIS on what to do if engaging a contractor under this scheme for the first time.

16.24 A hierarchy list of requisitioners, authorisers, counter-authorisers limits of authority and substitutes will be kept and maintained within the Finance Section for each cost centre. Cost Centre Managers must notify the Chief Finance Officer promptly in writing of any amendments required to this list e.g. when employees leave the Authority’s employ or are on leave or absent for any period. Cost Centre Managers must also provide confirmation to the Chief Finance Officer that user profiles within the electronic purchasing application are appropriate.

Instruction – Change of bank details for payment of invoices

16.25 Bank details provided for the setup/amendment of vendors must have been received from the supplier on Company headed paper if it relates to a company/organisation or in writing if it relates to a named individual. Faxed copies are not acceptable.

16.26 Bank details provided via email are not acceptable evidence for a company/organisation, but are acceptable for a named individual where the email address clearly relates to the named individual. Bank details should never be accepted over the phone.

16.27 The Finance section is responsible for checking the authenticity of the documentation provided and must securely retain it for six years plus current year, which must be made available for inspection upon

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request. Confirmation of the change is automatically sent to the company.

Contact: [Financial Accountant](#) (ext: 140)

17. LEASES

Preamble

The accounting arrangements and requirements for leases are complex. It is therefore essential when considering how to finance a purchase that Cost Centre Managers seek the advice of the Chief Finance Officer. This applies to both operating and finance leases.

Instructions

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

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18. MEDIUM TERM FINANCIAL PLANNING

Preamble

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

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

Instructions

- 18.1 SMB, Directors, Second Tier Managers and Cost Centre Managers are responsible for reviewing the MTFP annually, taking account of service plans and priorities, and for submitting updated plans covering the following three years in accordance with guidance and timescales notified by the Chief Finance Officer.
- 18.2 The MTFP for each cost centre should begin with the previous year’s reported MTFP unless otherwise notified by the Chief Finance Officer. Any variations must be fully explained. Where the Chief Finance Officer considers it is appropriate a zero based budgeting approach will be taken.
- 18.3 The Chief Finance Officer will report to the Executive Committee on the indicative budget position for the Authority, taking into account the Government’s Comprehensive Spending Review and any other relevant information.
- 18.4 The Chief Finance Officer will determine the format of the MTFP and detailed annual budget in accordance with any general directions from the Executive Committee and after consultation with SMB.
- 18.5 SMB, Directors, Second Tier Managers and Cost Centre Managers will be provided with a detailed budget timetable and budget guidance notes to enable the annual budget to be completed by the statutory deadline. The guidance will set out the responsibilities for the completion of the plans. Cost centre managers will be required to explain any material variances from prior year planning assumptions and plans.

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18.6 Bid for additional funds (Growth bids) for new initiatives / priorities should be outlined as such and submitted with a supporting business case. Bids for capital funds can only be made if all necessary approvals have been obtained, see Financial Instruction 5 (*Capital*). Bids for reduced funds (Savings bids) should be described on the appropriate forms and signed by the appropriate managers.

18.7 When preparing draft budget requirements Senior Managers and their cost centre managers should have regard to:

- Public Safety Plan (PSP)
- Spending patterns and pressures revealed through the budget monitoring process from current and previous years
- The identification of opportunities to improve economy, efficiency and effectiveness and to achieve savings
- Legal requirements
- Policy requirements in the Authority’s approved policy framework
- Initiatives already underway
- Relevant cash limits
- The Authority’s Invest to Save Policy (OC54/01)

18.8 The Chief Finance Officer will report the overall MTFP, incorporating the draft annual budget for the following year, to the Executive Committee. The report will take into account the rolling capital programme and any other matters the Chief Finance Officer considers relevant to the financial position and the implications for the level of Council Tax to be levied. The Executive Committee is responsible for recommending the MTFP and budget to the Authority, which has responsibility for overall approval of the budget in February each year.

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19. ORDERS FOR GOODS, WORKS AND SERVICES

Preamble

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

Instructions

- 19.1 The Cost Centre Manager shall be responsible for all Purchase orders issued from their cost centre for goods, works or services. The order is raised electronically, and the Cost Centre Manager (or deputy) shall be responsible for authorising the requisition **prior** to the order being raised.
- 19.2 The Authority’s payment terms are strictly 30 days, all new contracts entered into should specifically state these payment terms and adhered to. The Chief Finance Officer must authorise prior to the signing of any contract where the supplier has requested earlier or more frequent payment terms.
- 19.3 Only officers authorised by the Cost Centre Manager and agreed by the Chief Finance Officer shall order works, goods, or services and commit expenditure on behalf of the Authority.
- 19.4 A hierarchy list of requisitioners, authorisers, counter-authorisers limits of authority and substitutes will be kept and maintained within the Finance Section for each cost centre. Cost Centre Managers must notify the Chief Finance Officer promptly in writing (usually by email) of any amendments required to this list e.g. when employees leave the Authority’s employ or are on leave or absent for any period. Cost Centre Managers must also upon request, provide confirmation to the Chief Finance Officer that user profiles within the electronic purchasing application are appropriate.
- 19.5 In the event of emergency outside normal office hours, an official order book (for manual orders) is held at the control room, Merlin Centre.
- 19.6 The use of official (manual) orders will only permitted in an emergency or where the SAP system is unavailable and the Chief Finance Officer has approved their temporary use. In such cases, the authorised officer shall print in his/her own name and sign the paper order in ink.

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- 19.7 All Purchase orders shall be raised on the SAP system at the same time that a commitment is made with a supplier to obtain goods or services except where paragraph 18e applies. Where, under exceptional circumstances, it is necessary to place telephone or verbal orders a requisition should be raised in SAP and authorised by the appropriate officer immediately.
- 19.8 Requisitions for electronic orders shall be authorised by an approved officer in such a way that the officer can be uniquely identified.
- 19.9 Each order must conform with the Authority’s Standing Orders as to Contracts, Financial Regulations and relevant EU procurement rules and should secure best value for money. Cost Centre Managers and Second Tier Managers are responsible for ensuring that orders are only sent to appropriate approved suppliers who will not present financial or reputational risk to the Authority. Cost Centre Managers are required to seek approval for suppliers from the Procurement section who will perform the necessary checks.
- 19.10 Procedures outlined in Standing Orders as to Contracts must be followed when orders exceed the particular thresholds for obtaining quotes or tendering.
- 19.11 The procurement of work, goods or services must not be broken down into units in order to bring it below the quotation or tendering threshold, thereby circumventing the intention of Standing Orders.
- 19.12 Where corporate contracts exist these must be used. Approved lists of suppliers will be compiled and maintained by the Procurement section.
- 19.13 Orders are not required for business rates and some other automatic payments made outside the purchase order system. The written agreement of the Chief Finance Officer must be obtained for other exceptions.
- 19.14 Before engaging a contractor for the first time for “construction” works which fall under the HMRC definition for the construction industry tax scheme, procedures under Financial Instruction 6 (CIS) must be followed.
- 19.15 Cost Centre Managers must ensure separation of duties so that no one officer is able to carry out all parts of a financial transaction such as the ordering, order authorisation, goods receipting and invoice verification of a single purchase.

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19.16 All Officers of the Authority have a duty to declare any links or personal interests that they may have with suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Authority, in accordance with the Code of Conduct for Employees. Failure to do so may render an individual liable to criminal proceedings under section 117 Local Government Act 1972.

19.17 Official orders must not be used for any personal, private or unofficial purchase nor must personal or private use be made of Authority contracts or similar arrangements.

Contact: [Financial Accountant](#) (ext: 140)

20. PARTNERSHIPS

Preamble

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

Instructions

20.1 Each partnership should have a defined responsible manager within the Authority. This person is responsible for ensuring that:

- The partnership is appraised for financial viability in both the current and future years;
- The financial risk to the Authority is assessed;
- Appropriate resources are assigned to the governance of the partnership;
- The partnership is supported by an appropriate documented agreement which outlines the financial liabilities and accountabilities of the partners, together with procedures for financial transactions and monitoring, and which has been agreed in writing by all partners; and
- The accounting arrangements are satisfactory.

The Chief Finance Officer must be consulted and their agreement obtained to the acceptability of the details in respect of the above prior to commencement of the Partnership.

20.2 Approval of the Chief Finance Officer is required for any partnership where a pooled fund operates. If the Authority is the lead partner for the pooled fund the partnership agreement or SLA should require that

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each partner complete financial returns for the Authority in a format and timeframe prescribed by the Chief Finance Officer.

20.3 Where a Local Authority Company is to be established (by the Authority or any officer on behalf of the Authority, taking an interest such as membership, share holding or directorship), the approval of the Chief Finance Officer and the Director of Legal and Governance is required.

20.4 The section on sponsorship arrangements should be read in conjunction with this instruction.

Contact: [Management Accountant](#) (ext: 177)

21. PROJECT MANAGEMENT

Preamble

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

Instructions

21.1 SMB is responsible for the overall monitoring of projects and has the right to refer issues arising from projects reports to the Executive Committee or Overview and Audit Committee.

21.2 The Project Management Handbook should be used as a guideline for the completion of project documentation. The first item is to appoint a project sponsor to provide advice and support for individual projects, project managers and to drive the project through to completion.

21.3 The Statement of Business Requirements (SOBR) translates the project idea or requirement into a simple "proof of concept and identifies the key stakeholders, their interest in the project and ensures they are adequately represented.

21.4 The Project Initiation Project (PID) is the mechanism by which the business case is put forward by the project manager and includes

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sections on project objectives, scope and exclusions, business case and option appraisals, acceptance criteria, stakeholder’s analysis and communications plan, project risk and project plan.

- 21.5 During the project, which may run over many years, a highlight report should be completed at regular intervals to advise Directors and SMB of the project’s progress through the major milestones including budgetary information. The key point is to demonstrate that as one agreed section of the project is complete the next stage can be started. If at any stage of the project there is reason to believe that the project is in or likely to go into exception then an exception report must be completed including the likely financial position especially where projects are likely to exceed the budget by 10% or more and requiring SMB and Executive committee approval.
- 21.6 At the completion of the project an End Stage report must be produced which is in effect a post implementation review, it details the project objectives & subsequent achievements, how well the project has gone, review of resources used including financial budget verses actual final costs, changes to the original plans, post project recommendations and stakeholder analysis of the project as completed. This report should be reviewed by Directors and forwarded to SMB.
- 21.7 Where requests are made for Capital Grants from the DCLG and have followed the prescribed procedure then the completion of the grant forms must be approved by Committee. The approval of the grant applications by the DCLG will be assumed to be an automatic inclusion in the capital programme for the following year and must then follow the financial Regulations & instructions.

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22. RESERVES – EARMARKED

Preamble

An Authority must decide the level of general reserves it wishes to maintain before it can decide the level of Council Tax. Reserves are maintained as a matter of prudence. They enable the Authority to provide for unexpected events and thereby protect it from overspending, should such events occur. Reserves for specific purposes may also be maintained, such as for insurances or for the purchase of capital items. The policy for reserves is set out in the Financial Reserves Policy document (OC54/04).

Instructions

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

Contact: [Chief Finance Officer](#) (ext: 182)

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23. RISK MANAGEMENT

Preamble

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

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

SMB, Directors, Second Tier Managers and Cost Centre Managers are responsible for identifying and managing strategic and operational risks within their service areas. Risks must be managed in accordance with Financial Regulation C.2, these Financial Instructions and the Authority's Corporate Risk Management Policy – OC57. The Executive Committee shall regularly review the Corporate Risk Register.

Instructions

- 23.1 Second Tier Managers should review risks in their areas on a regular basis (at least quarterly) and report any new or increased risks to the Corporate Planning Manager, who in turn will report to the SMB.
- 23.2 All financial risks of a material nature must be notified to the Chief Finance Officer.
- 23.3 The Corporate Planning Manager shall review risks reported to him/her and discuss the adequacy of individual risk management plans, recommending proposals to improve these if they are considered insufficient. They should escalate all significant risks to SMB.
- 23.4 The SMB is responsible for monitoring risks reported to it and seeking assurance that risks are effectively mitigated.
- 23.5 All employees should ensure risks are identified and managed in accordance with Financial Regulations C.2 and OC57 – Corporate Risk Management Policy.

Contact: [Corporate Planning Manager](#) (ext: 135)

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24. SALARIES, WAGES, ALLOWANCES AND PENSIONS

Preamble

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

Instructions

- 24.1 The payment of all salaries, wages, allowances, pensions compensation and other emoluments to all officers or former officers of the Authority shall be made under arrangements approved by the Chief Finance Officer using the SAP system.
- 24.2 The design and method of acquisition and issue of stationery in connection with the payment of salaries, wages and allowances shall be agreed by the Chief Finance Officer and/or Director of People & Organisational Development. All timesheets or other payment documents, whether in paper or electronic format, will be in a form or system prescribed or approved by the Chief Finance Officer and/or Director of People & Organisational Development.
- 24.3 An application to recruit form must be completed by each Cost Centre Manager who wishes to recruit an employee, on either a permanent, temporary or secondment basis, including temporary promotions and additional responsibility allowances. It is the responsibility of the Cost Centre Manager to check with finance that there is sufficient authorised budget available for current and future years employment commitments and confirming this has been done, including documentary evidence of financial costings and endorse as such by printing his/her name and signing.
- 24.4 The Director of People & Organisational Development must ensure that all matters affecting the payment of salaries, wages and allowances use the appropriate documentation and in particular:-
 - Appointments, resignations, dismissals, suspensions, secondments and transfers;
 - Changes in remuneration, allowances and pay awards and agreements of general application, including salary sacrifice agreement
- 24.5 Such information as the Director of People & Organisational Development may require for the payment of salaries, wages and allowances shall be certified as correct for payment by the relevant Cost Centre Manager and/or the Director of People & Organisational

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Development or officers appropriately authorised by them, who shall sign their own name(s) or approve electronically on a system approved by the Chief Finance Officer..

- 24.6 Monthly Attendance and Overtime Records (Form FB22) or electronic equivalent shall be completed each month by each cost centre manager and submitted to the People & Organisational Development department. The forms shall be certified by two relevant authorised officers who shall sign their own names or approve electronically on the system. One signatory/approver should be the relevant Cost Centre Manager or his/her Line Manager or relevant Station/Group Commander.
- 24.7 Where timesheets or other payment documents are in electronic form, individuals must use the relevant system (e.g. Gartan Payroll) to submit claims. For claims not supported by the system(s), the claim must be authorised by email or other electronic signature as appropriate. On receipt of the electronic form, the data will be entered and locked on the system to prevent subsequent amendment.
- 24.8 A list of names and specimen signatures of employees who may certify payroll information as correct for payment shall be prepared annually, at the beginning of each financial year, by each Cost Centre Manager in a format prescribed by the Chief Finance Officer. The list shall be personally certified by the Cost Centre Manager or his/her manager as appropriate. The list should also shows limits of authority and permitted areas of expenditure for each individual. The list must be forwarded to the Chief Finance Officer who will maintain a composite list of authorised signatories for the Authority. Cost Centre Managers must notify the Chief Finance Officer promptly in writing of any amendments required to this list e.g. when employees leave or transfer.
- 24.9 All appointments or variations to contract will be made in accordance with the appropriate terms and conditions of service and decisions of the Authority and the approved establishments, grades and rates of pay.
- 24.10 The Chief Finance Officer will maintain an appropriate segregation of duties so that no one individual can process a payment instruction in full. The demarcation of these duties will separate data input of payment instructions into SAP from payment processing via BACS, CHAPS or electronic transfer/payments. The Chief Finance Officer will also ensure that the process for making BACS, CHAPS or electronic transfer/payment involves more than one officer, and is configured so

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that authorisation and access security actively prevent one officer from carrying out the whole process.

24.11 All Payments must be processed in accordance with the PAYE and NIC rules contained in the Income Tax and Social Security Acts in place at the time.

24.12 The Chief Finance Officer will ensure that a monthly reconciliation of total PAYE, National Insurance Contributions, recoverable Statutory Leave payments, and Student Loan deductions is completed and the appropriate remittance made to Her Majesty’s Revenue & Customs (HMRC) within required timescales. Further reconciliations and payments will also be made for court orders, pension contributions, net pay, and other third party payments.

24.13 The Chief Finance Officer will ensure that all in year documentation and statutory annual returns required by HMRC are completed by either paper report or in electronic format as appropriate and submitted to HMRC within relevant deadlines.

24.14 All stakeholders (including the employee) have a responsibility to report an overpayment of salary at the earliest opportunity to both the Employee Services and Payroll Manager and Cost Centre Manager. The Cost Centre Manager in consultation with the HR Services Manager shall arrange immediate repayment. Variations to this requirement require the Chief Finance Officers approval and should only be granted in exceptional circumstances.

Pensions

24.15 Pensions Services for the Firefighters’ Pension Scheme and the Local Government Pension Scheme are provided through Service Level Agreements (SLAs) with Buckinghamshire County Council. The Chief Finance Officer and the Director of People & Organisational Development will ensure that their respective responsibilities under the SLA are undertaken within the agreed timescales.

Contact: [Financial Accountant](#) (ext: 140)

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25. SECURITY OF ASSETS

Preamble

The Authority holds valuable assets in the form of property, vehicles, equipment, furniture, ICT and other items. It is important that assets are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both assets and information required for service operations. The instruction should be read in conjunction with Financial Instruction 15 (*Inventories*).

Instructions

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

Contact: [Financial Accountant](#) (ext 140)

26. SPONSORSHIP AND ADVERTISING

Preamble

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

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For advertising, there are rules set by HMRC for the recovery of VAT. If the advertising is in the form of promoting statutory duties for Fire and Rescue Services then there are no VAT implications. However, if the arrangement can be construed as commercial and in competition with other businesses in the private sector then we will be unable to recover the VAT on those transactions. This would effectively be an additional cost to the Authority and holds penalty risks if not dealt with correctly through the VAT return process. Advice from the Chief Finance Officer should be sought before entering into arrangements which advertise or promote services of the Authority.

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

Instructions

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

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

- a Member of the Authority
- an employee;
- research;
- employee training
- equipment;
- vehicles (and/or fuel, maintenance etc)
- meeting rooms and associated costs (such as meals and hospitality;
- gifts
- hotel and transport costs
- provision of free services;
- building or premises
- services or initiatives such as the fire dog

See also:
 The code of conduct for employees; and
 The code of conduct for Members.

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27. STOCKS AND STORES

Preamble

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

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

Instructions

- 27.1 All goods received must be checked for quantity and quality, and the supplier immediately notified of any discrepancy. The appropriate goods received record must be made using the SAP system.
- 27.2 Every issue of stores must be supported by a requisition note stating the quantity of goods required and signed by an officer authorised to do so by the Area Manager, except where the Chief Finance Officer has agreed otherwise. The person receiving the goods must receipt such requisition notes.
- 27.3 Every officer responsible for the receipt and issue of stocks and stores shall keep such records of their transactions as the Chief Finance Officer may determine in order to maintain efficient control of the receipts and issues of such stores. All such records shall be in a form approved by the Chief Finance Officer.
- 27.4 Second Tier Managers shall hold stocks only to the level determined for operational needs. Stock levels should be reviewed regularly. Where additional stocks are required (e.g. uniforms, equipment) a stock rotation procedure should be in place to ensure that oldest stocks are used up first. This is necessary to avoid wasteful obsolescence though holding out of date stocks.
- 27.5 The method of stocktaking shall be approved by the Chief Finance Officer. Where continuous stocktaking is applied, all stores shall be checked at least once in each financial year. Stock sheets must be prepared at every stocktaking showing actual stocks in hand, balances shown in the stores accounts and any surpluses or deficiencies.
- 27.6 Stocktaking shall be supervised by a responsible person (wherever practicable someone other than the storekeeper or person in charge)

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acting on behalf of the Brigade Manager and both the person taking the stock and the person supervising shall certify the stock sheets.

- 27.7 Each storekeeper shall supply to the Chief Finance Officer annually, not later than a date to be notified by the Chief Finance Officer each year, a certificate;
- Stating that stocktaking has been carried out in accordance with the agreed procedure in all areas under his/her control; and
 - Summarising the value of stocks and stores held at each of these locations/establishments at 31 March.
- 27.8 Brigade Managers shall provide such information as the Chief Finance Officer requires in relation to stores for the accounting, costing and financial records. The Chief Finance Officer shall submit a summary of the value of stocks and stores held at the end of the financial year to the Executive Committee.
- 27.9 Obsolete or unserviceable stores should be disposed of in accordance with the disposal provisions in Financial Instruction 15 (*Inventories*).
- 27.10 Any material variation (over £500) identified between actual and expected stock holding, either at any stocktaking or otherwise, shall be reported to the Chief Finance Officer. Such report shall state the quantities and current values in question, together with any other relevant information. No individual discrepancy or group of discrepancies with a total value exceeding £500 shall be written off without the approval of the Chief Finance Officer.
- 27.11 A reference shall be given in the stores record to the authority under which any deficiency is written off or any surplus brought into store records as new stock.
- 27.12 Whenever a storekeeper or person in charge of stores hands over, leaves or ceases to have custody of stores, the appropriate Manager shall ensure that a check is made of the stores concerned and the stock sheets shall be certified in accordance with paragraph 27.6
- 27.13 Keys to safes, storerooms and secure areas etc are to be kept in the possession of nominated responsible persons at all times. Directors should keep records of key-holders.

Contact: [Financial Accountant](#) (ext: 140)

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28. TRAVEL AND SUBSISTENCE AND OTHER EXPENSES

Preamble

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

Instructions

- 28.1 All certified claims for payment of car allowances, subsistence allowances, business travel and incidental expenses shall be submitted to the Employee Services and Payroll Manager at the end of each month in accordance with the timescales notified by the Chief Finance Officer. All claims must be in a form approved by the Chief Finance Officer.
- 28.2 Where an officer has a leased car, he/she will be charged for all the fuel used during the month and business mileage must be reclaimed promptly. The Fleet section will provide relevant information to the Employee Services and Payroll Manager for fuel used during the month for payroll deduction.
- 28.3 VAT receipts (where applicable) for expenses should be attached to the claim form unless otherwise agreed by the Chief Finance Officer.
- 28.4 The authoriser will verify the clam against receipts where relevant. The certification for payment by an authorised officer shall mean that the journeys were authorised, the expenses have been properly and necessarily incurred on Authority business and that the allowances are properly payable by the Authority.
- 28.5 It is an Audit requirement that a list of names and specimen signatures of employees who may certify expenses claims as correct for payment shall be prepared annually, at the beginning of each financial year, by each Cost Centre Manager in a format prescribed by the Chief Finance Officer in conjunction with the Director of People and Organisational Development. The list shall be personally certified by the Cost Centre Manager or their line manager as appropriate. The list should also show limits of authority for each individual. The list must be forwarded to the Employee Services and Payroll Manager who will maintain a composite list of authorised signatories for the Authority. Cost Centre Managers must notify the Employee Services and Payroll Manager promptly in writing of any amendments required to this list e.g. when employees leave or transfer.

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- 28.6 Officers' claims submitted more than three months after the expenses were incurred will be paid only with the express approval of the Chief Finance Officer.
- 28.7 Elected Members who are entitled to claim travelling or other allowances should complete the prescribed form and submit to the Executive and Member Support Officer. They will forward these completed forms to the People & Organisational Development department for payment. All claims for a financial year are to be submitted in accordance with timescales as notified by the Chief Finance Officer.

Contact: [Financial Accountant](#) (ext: 140)

29. VAT

Preamble

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

Instructions

- 29.1 Cost Centre Managers are responsible for correctly accounting for VAT in respect of income and expenditure.
- 29.2 The Chief Finance Officer shall issue guidance to Cost Centre Managers and Line Managers to assist them in correctly accounting for VAT. Managers shall seek advice from the Chief Finance Officer where the correct VAT treatment is in doubt and should use the VAT Guidance manual as a reference.
- 29.3 Any misdeclaration or other penalty imposed by HMRC shall be the responsibility of the Cost Centre Manager and shall be charged to the relevant budget unless it results from incorrect advice given by the Chief Finance Officer.
- 29.4 The Chief Finance Officer is responsible for ensuring that the monthly VAT Return to HMRC is completed correctly and submitted to HMRC on-line. There shall be separation of duties in that one employee shall

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calculate the amount due and a second employee shall verify that accordingly, before submitting the return electronically. The person submitting the return shall also sign and date the control sheet.

- 29.5 The Chief Finance Officer shall ensure that financial control systems bring all VAT liabilities to account and that VAT is recovered to the fullest possible extent as early as possible.
- 29.6 The Chief Finance Officer is responsible for ensuring that voluntary disclosures are made to HMRC for VAT errors identified. Consequently all VAT errors identified by managers must be notified to the Chief Finance Officer irrespective of value.
- 29.7 In accordance with the Value Added Tax Act 1994 records shall be retained for at least six years (plus current year). The records must be in sufficient detail to allow calculation of the correct VAT and allow HMRC to readily check figures submitted on the VAT Return.

Contact: [Financial Accountant](#) (ext: 140)

30. VIREMENT

Preamble

Virement is a transfer of budget provision either within or between budget headings in the year. It is intended to enable the Executive Committee, SMB and cost centre managers to manage budgets with a degree of flexibility within the overall policy framework and cash limit agreed by the Authority, and therefore to optimise the use of resources. These Instructions set out the authorisations required for virement to take place.

Instructions

- 30.1 No virement is allowed from or to any of the following budgets without prior approval of the Chief Finance Officer:
 - Salaries – these are set in accordance with the authority’s approved establishment.
 - Capital Charges
 - Recharges
 - Insurances
 - Contingency Budgets
 - Certain Indirect employee costs (e.g. corporate training)

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30.2 SMB and Committee approval with advice from the Chief Finance Officer will be required for proposals which transfer funds for the creation of new posts and/or exceed the authorised establishment budget for the year.

30.3 For all other budget codes, Virements can be exercised within the limits shown below subject to the provisions in the subsequent paragraphs:

Limits	Virement to be approved by:			
	Cost Centre Manager(s) and Directors	Chief Finance Officer	SMB	Executive Committee
Up to £50,000	Y	Y		
£50,000 to £150,000	Y	Y	Y	
Over £150,000	Y	Y	Y	Y

30.4 The approval of the Executive Committee is also required to a virement if:

- It involves resources not being used for the purposes approved by the Authority (a change in policy)
- It results in an addition to commitments in future years
- It involves a transfer of resources from revenue to capital in excess of £10,000 (transfers from capital to revenue are not permitted); or
- The Chief Finance Officer requires it.

30.5 Proposed changes to the budget which increase the Authority’s total expenditure and require either the use of the Authority’s reserves or increased borrowing must be approved by the Executive Committee which may choose to recommend approval by the Authority.

30.6 No virement relating to a specific financial year should be made after 31 March in that year.

30.7 All requests for virement must initially be made by forwarding a completed and signed Virement Request Form to the Finance Department. (available on N:/Common/Std Forms/Finance Forms/Template Virement request (Excel spreadsheet))

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30.8 Any virement where the sole purpose is to correct errors with the original budget upload, or to achieve a purely presentational change (e.g. disaggregation of budget lines within one cost centre) is not subject to the limits detailed in section 30.3, and may be approved by the Chief Finance Officer.

Contact: [Management Accountant](#) (ext: 177)

RESPONSIBLE OFFICERS GLOSSARY AND CONTACTS LIST

SMB and Directors

- Chief Fire Officer/Chief Executive
- Chief Operating Officer/Deputy Chief Fire Officer
-
- Director Legal and Governance
- Director of People and Organisational Development
- Director of Finance and Assets

Contacts

- Head of Service Delivery
- Head of Service Development Extn 251
- Head of Projects and Transformation Management Accountant & Deputy Director of Finance Extn 175
- Resources Manager Extn 182
- Head of Human Resources Extn 221
- Employee Services and Payroll Manager – Extn 185
- Chief Finance Officer - Extn 182 (Director of Finance and Assets)
- Financial Accountant – Extn 140
- Management Accountant – Extn 177
- Head of Procurement – Extn 136
- ICT Manager – Extn 150
- Corporate Planning Manager – Extn 135
- Business Continuity – Extn 165

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Second Tier Managers – for contextual purposes only, any manager who reports to a Director and/or has line management responsibilities for cost centre managers and employees handling cash and assets.

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Buckinghamshire & Milton Keynes Fire Authority



MEETING	Overview and Audit Committee
DATE OF MEETING	15 July 2015
OFFICER	Graham Britten, Director of Legal and Governance Mark Hemming, Acting Deputy Director of Finance and Assets
LEAD MEMBER	Chairman of the Overview and Audit Committee
SUBJECT OF THE REPORT	Annual Governance Statement 2014/15
EXECUTIVE SUMMARY	<p>The purpose of this report is to present the 2014/15 Annual Governance Statement (appended as an Annex to the report). This contains the progress on the implementation of the recommendations of the 2013/14 Annual Governance Statement and to highlight recommendations for 2015/16.</p> <p>In the Annual Results Report (22 October 2014) Ernst & Young recommended that the Fire Authority should produce its Annual Governance Statement alongside the Statement of Accounts (by 30 June). Although not a legal requirement, it is felt this was a constructive recommendation and this paper is therefore being presented earlier than in previous years.</p> <p>The Annual Governance Statement has been based upon the six core principles of good governance set out in the CIPFA/SOLACE guidance (2007, revised and updated 2012):</p> <ol style="list-style-type: none"> 1. Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area. 2. Members and officers working together to achieve a common purpose with clearly defined functions and roles. 3. Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour. 4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk. 5. Developing the capacity and capability of members and officers to be effective. 6. Engaging with local people and other stakeholders to ensure robust public accountability.

ACTION	Decision.
RECOMMENDATIONS	<ol style="list-style-type: none"> 1. That the Annual Governance Statement be approved. 2. That the progress on the implementation of recommendations of the previous Annual Governance Statement (Appendix A to the Annual Governance Statement) be acknowledged. 3. That the priorities of the 2015/16 Statement (Appendix B to the Annual Governance Statement) be agreed.
RISK MANAGEMENT	Any risk implications of completion or non-completion of the recommendations are included in the relevant report.
FINANCIAL IMPLICATIONS	There are no direct financial implications arising from the report.
LEGAL IMPLICATIONS	Regulation 4(3) of the Accounts and Audit (England) Regulations 2011 requires the Committee to approve an annual governance statement which must accompany the statement of accounts.
HEALTH AND SAFETY	There are no direct health and safety implications arising from the report.
EQUALITY AND DIVERSITY	There are no direct equality and diversity implications arising from this report.
USE OF RESOURCES	<p>Communication and consultation The officers with responsibility for the areas audited have been responsible for supplying the information and responses necessary for this report.</p> <p>Progress monitoring Further updates will be provided at future committee meetings.</p>
PROVENANCE SECTION & BACKGROUND PAPERS	<p>Report to Overview and Audit Committee of the Buckinghamshire and Milton Keynes Fire Authority held on 24 September 2014, Item 7.</p> <p>http://bucksfire.gov.uk/files/1514/1079/8580/ITEM_7_Annual_Governance_Statement_Cover_Paper_2014_and_Appendix.pdf</p> <p>CIPFA / SOLACE 'Delivering Good Governance in Local Government - Guidance Note for English Authorities'</p> <p>http://www.solace.org.uk/knowledge/reports_guides/goodgovernance-England-2007-02.pdf</p>
APPENDICES	<p>Annex – Annual Governance Statement 2014/15.</p> <p>Appendix A to Annex – Progress of Annual Governance</p>

	Statement 2013/14. Appendix B to Annex – Recommendations for Priorities for 2015/16.
TIME REQUIRED	15 minutes.
REPORT ORIGINATOR AND CONTACT	Graham Britten, Director of Legal and Governance gbritten@bucksfire.gov.uk Mark Hemming, Acting Deputy Director of Finance and Assets mhemming@bucksfire.gov.uk

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Scope of Responsibility

Buckinghamshire & Milton Keynes Fire 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.

Buckinghamshire & Milton Keynes Fire Authority has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. This statement explains how Buckinghamshire & Milton Keynes Fire Authority has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2011 in relation to the review of its systems of internal control and the publication of an annual statement on its governance.

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 Buckinghamshire & Milton Keynes Fire 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 2015 and up to the date of approval of the Statement of Accounts.

The Governance Framework

The governance framework derives from six core principles of good governance set out in the CIPFA/SOLACE guidance which was updated in 2007. The six core principles which underpin good governance are:

- 1. Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area*

The Public Safety Plan 2015-20 sets out the detailed future improvements of the services provided by the Authority to the community within the constraints that it faces whilst managing risk. The community was consulted and actively 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. The Public Safety Plan is available on our website at:

[http://bucksfire.gov.uk/files/8114/2116/4524/2015 -
20 PSP Updated after 17 Dec CFA.pdf](http://bucksfire.gov.uk/files/8114/2116/4524/2015-_20_PSP_Updated_after_17_Dec_CFA.pdf)

A fundamental element of the Public Safety Plan 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. Since the recent re-structure, operational staff work within the same teams as their protection and prevention colleagues leading to a more joined up approach. This has led to notable achievements in helping the most vulnerable people in our communities

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through the “safeguarding” procedures; working collaboratively internally as well as with local authorities to improve the lives of those most in need of support, and those who most often fall through society’s “safety nets”.

The 2015–20 Public Safety Plan was presented to the Fire Authority for approval in December 2014 following a public consultation. This plan supersedes the previous 2012-17 plan and took effect from April 2015.

2. Members and officers working together to achieve a common purpose with clearly defined functions and roles

The respective roles and responsibilities for members and officers are set out in the Combination Order (the statutory instrument that formed the Fire Authority in 1997). There are two ordinary committees of the Fire Authority: The Executive Committee, and the Overview & Audit Committee. There are terms of reference for each committee and the role of the lead members has been developed over recent years.

Members of the Fire Authority are also members of either Buckinghamshire County Council or Milton Keynes Council. Some members may also be members of district councils with which we may be working, or voluntary agencies. 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.

The Authority’s Member:Officer Protocol sets out the respective obligations and expectations and contains a reminder of the Authority’s core values. These were revised and approved by the Overview and Audit Committee at its meeting on 11 March 2015 for recommendation to the Fire Authority on 10 June 2015. These can be found at the following link:

http://bucksfire.gov.uk/files/8414/1053/3511/Protocol_on_Member_and_Officer_Relations_v2_Sept_14.pdf

The Authority approved and adopted its current Pay Policy Statement in February 2015 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. This is reviewed at least annually.

The Authority has identified and recorded all partnership arrangements. All partnerships are the subject of formal agreements ensuring that these articulate legal status; respective liabilities and obligations; governance and audit; dispute resolutions and exit provisions. A review of partnership arrangements has been undertaken.

In Buckinghamshire & Milton Keynes Fire Authority the Chief Finance Officer and Monitoring Officer are both members of the Strategic Management Board, helping to develop and implement strategy and to resource and deliver the organisation’s strategic objectives. All material business decisions are taken by 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

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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.

There are nominated lead Members for various work streams and departments. This collaborative approach ensures levels of trust, confidence and awareness constantly improve for the benefit of the public and the service.

3. Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.

All senior, middle and supervisory managers have attended a 'Leadership and Management Development Programme' (LMDP) to ensure they understood the values of the organisation and the corporate objectives, as well as equipping managers with the tools necessary to lead the service through change.

Although all staff have job descriptions, this programme has helped explain to all managers the expectations the organisation has in terms of behaviours and not just team and individual outputs.

The programme identified management and leadership behaviours which have been incorporated into the Authority's performance management system (appraisal process). A range of specific behaviours were identified across middle and supervisory management as requiring training: for example influence and impact and organisational awareness. These are incorporated into the 2015/16 Authority-wide training needs analysis (TNA) that was agreed by the Training Strategy Group at the start of the year.

The service recently initiated a pilot scheme to roll out a modified version of the LMDP to lower level supervisory managers. Subject to feedback from attendees and their line managers, it is expected this course will be rolled out fully during 2015/16.

The maintenance and promotion of high standards of its Members is within the purview of the Overview and Audit Committee.

To ensure legal compliance and to avoid a conflict of interest arising, the Authority retains a panel of ten "Independent Persons" shared amongst five other authorities 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.

<http://bucksfire.gov.uk/files/3314/0732/6551/10CODEOFCONDUCT.pdf>

4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

To support the service there are structured meetings at all levels within the service, with appropriate delegated authority. Timelines are in place so that SMB and Member meetings will be followed by Directorate and then team meetings to ensure the flow of information throughout the whole organisation. Although this is an evolving process, the culture is steadily changing so that minutes from meetings are available both internally and externally through the website.

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Further developments to improve the effectiveness and transparency of decision making within the Service were made following the launch of new internal, officer 'boards' aligned to the Authority committee structure. These comprise:

- A Strategic Management Board, which replaced the previous senior officer meetings and focuses on strategic direction, strategic risk and acts as a gateway to the Fire Authority;
- A Performance Management Board which focuses on in year performance against agreed targets and budgets;
- A Business Transformation Board which focuses on strategic change and project portfolio management.

All Directorates have their own risk registers which are regularly reviewed at Directorate meetings. Corporate risks are reviewed quarterly by the Performance Management Board, monthly by the Strategic Management Board and by Members at each Overview and Audit Committee meeting. An audit of the Authority's corporate risk management processes took place in 2014/15, the findings of which were reflected in the Corporate Risk Management Policy. This was approved by the Overview and Audit Committee on 11 March 2015 for recommendation to the Executive Committee on 18 March 2015, and the policy was formally adopted at that meeting.

In addition to the development of performance software to improve service delivery, the integrated HR and Finance (SAP) system has improved controls identified as weaknesses in previous audits; for example staff absence recording and the inputting of turnouts and attendance at incidents.

This improved control has supported managers to significantly improve attendance levels. It also ensures that the management and administration of employee benefits and payments are linked to establishment control through an integrated system with the approved budgets and the financial ledger. The data extraction process from the HR (SAP) system has also improved the provision of management information to support decision making on issues related to workforce planning.

During 2014/15 the service also undertook a significant amount of work to link the on-call availability system to SAP. It is expected this system will go live in early 2015/16 and will eliminate the need for the manual recording and input of absences, turnouts and attendances for all on-call staff. The system will be rolled out to all firefighters and support staff during 2015/16, removing the need for any manual attendance records within the service.

We have continued the shared service arrangement with Royal Berkshire Fire Authority for procurement. The team are continuing to work on the implementation of Contract Management (CMF) and Supplier Relationship (SRF) Frameworks. New software under a national initiative is being piloted and this, alongside the existing electronic ordering technology will ensure a continued and more effective proactive, open and transparent approach to procuring supplies and services. Contract Standing Orders for both Fire Authorities were aligned to ensure the most cost effective outcome is achieved; all contracts with an estimated value in excess of £50k have to

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go through a full tender process. Those procedures are kept under regular review to ensure that best value to the taxpayer can be demonstrated.

5. Developing the capacity and capability of members and officers to be effective

A number of policies are in place to support and underpin the “fit for purpose” structure. These policies have empowered managers to take responsibility and be accountable for their staff issues with HR advice as required.

A key part of the performance monitoring continues to be an individual performance management (appraisal) system which ensures that strategic aims are translated into individual objectives creating a “Golden Thread” throughout the service. This is an evolving process with particular challenges in applying this process to the retained duty system staff who have very limited time available.

The performance management system also identifies training and development needs and these are aggregated into a service wide Training Needs Analysis. The service increasingly benefits from more efficient and effective menu driven training delivery more aligned to budget planning timetables.

The Performance and Evaluation team analyse, audit and review capabilities across the service. This team is currently reviewing and introducing more robust methodology to evaluate operational performance through station reviews, operational debriefs, incident monitoring, the management of an exercise programme as well as establishing lines of communication with other FRSs to learn from their experiences. The team continue to work alongside the Organisational Development department to ensure that any areas which are identified from incidents and exercises are included in technical and practical assessments within the Development Centre (ADC) process.

SMB has engendered a collegiate approach with Members through holding “Member Workshops” where future options are aired and discussed with Members before a narrower range of formal proposals are taken forward.

6. Engaging with local people and other stakeholders to ensure robust public accountability

In terms of the organisational structure, 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.

The service complies with the Data Transparency Code (latest version published February 2015) and ensures all the relevant information is published on our external website.

At a more local, direct level there are many examples of how we engage with the public and ensure public accountability:

- The service regularly reviews its partnerships to ensure they are appropriate and effective for both the organisation and the public.
- Memoranda of Understanding with other fire and rescue authorities and the police when carrying out fire investigation to improve collaborative working and ensure a more consistent approach to the way we investigate fires / arson.

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- BMKFRS is a key stakeholder at a strategic level on both the Safer Stronger Bucks Partnership Board and the Safer MK Partnership. Officers are also engaged and involved in 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.

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. The service has used an internal checklist process this year to quantify the degree of understanding and compliance with the governance arrangements in each section of the service. The results of the checklist have fed into the action plan for 2015/16 set out in Appendix B.

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.

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Audits undertaken and assurance opinion:

Audit assignments	Level of assurance that risks material to the achievement of the system's objectives are adequately managed and controlled.	
	Days	Overall Assurance (all audits undertaken during 2014/15 unless stated)
Core Financial Controls	30	Substantial
Risk Management	5	Substantial
Control Centre	5	Delayed until 2015/16
ICT Strategy	10	Reasonable (2013/14)
Corporate Governance	10	Reasonable
HR People Management	5	Substantial
Accommodation and Housing Allowances	5	Reasonable
Follow Ups	10	
Corporate work/Audit Management	10	
Total	90	

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 Fire 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:

Opinion on the Fire Authority's Internal Control Environment Summary

In my opinion the system of internal control provides **reasonable** assurance regarding the effective, efficient and economic exercise of the Authority's functions. During 2014/15 there has been continued improvement to Bucks & Milton Keynes Fire Authority's system of internal control through the on-going development of policies and procedures covering the key control processes. This demonstrates a positive direction of travel towards robust and effective internal control and risk management that will facilitate the effective exercise of the Authority's functions.

The audit activity in 2014/15 has demonstrated that the Authority continues to improve and develop corporate governance, and remains focused on creating a strong system of internal control. This can be evidenced by the continued strengthening of key control processes through the on-going development of policies and procedures and has resulted in core financial controls continuing to be rated as substantial, as well as the assessment that substantial assurance is provided by the services risk management arrangements.

A summary of our assignment outcomes and work completed during the year is shown in the table above. It can be seen that all areas have as a minimum 'reasonable' assurance.

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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 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 14/15 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

Councillor Adrian Busby – 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

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Appendix A

Significant Governance Issues addressed in 2014/15

	Issue	Action Plan	Lead Officer	RAG Status	Progress	Target/ Completion Date
1.	Performance Management System (Appraisal) needs to be fully embedded.	Regular Performance reporting at Performance Board Agree generic On Call objectives and enhance as part of the On Call review.	Head of Human Resources	Green	<p>A more robust reporting process was put in place during 2014/15, with appraisal information being captured within SAP. This resulted in data being much more readily available and regular updates were given to SMB, PMB and managers – empowering them to chase their staff members where required.</p> <p>An increase in appraisal returns from On Call staff were received during 2014/15 and the implementation of generic objectives was cascaded to the On Call review team for action with a view for them to be implemented in 2015/16.</p> <p>Managers and staff have been reminded early to complete and submit appraisals for the 2014/15 performance review period. Submission will be closely monitored and reported on.</p> <p>Promotion and selection processes have reinforced the need for up to date performance appraisals being integral to development and progression.</p>	<p>October 2014</p> <p>Fully embedded June 2015</p>

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2.	Review of firefighters pensions administration and oversight.	Review the current administration of the firefighters pension fund and look at securing increased professional expertise and knowledge of the complicated rules governing the scheme. Potentially to move provision of administration from current provider.	Director of Finance and Assets	Green	<p>The service has worked closely with the current provider to ensure the rules for the new 2015 scheme were implemented correctly.</p> <p>The service also worked closely with the current provider to ensure that sufficient information and guidance was provided to staff affected by the implementation of the 2015 scheme.</p> <p>Work is on-going regarding the feasibility of entering into a joint administration arrangement with other fire authorities.</p>	April 2015
3.	Capacity of the organisation to manage change and business as usual.	Corporate Planning process to be reviewed to ensure all day to day activity and business change plans can be accommodated within organisational capacity.	Head of Service Transformation	Green	<p>The organisation developed its current Corporate Plan 2015-20, to ensure that the key reviews and projects are evenly spread out across a five year period. This approach will ensure that organisational capacity to deliver these projects is planned and can ensure that 'business as usual' is maintained during a period when significant projects are required to be delivered. The corporate plan will be reviewed twice during its lifetime to ensure that the work is being progressed, is still relevant and any resourcing issues will be identified during these reviews. This also enables the use</p>	February 2015

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					of resources for more time spent on delivery.	
4.	Thames Valley Fire Control Service.	A Joint Committee of Members and a tripartite officers' coordination group to oversee the Thames Valley Fire Control Service.	Director of Legal and Governance	Green	The Thames Valley Fire Control control room went live on 22 April 2015.	December 2014
5.	Corporate Risk Management Policy. This has not been formally reviewed since 2010.	Our corporate risk management functions and process were recently reviewed by Internal Audit. The Corporate Risk Management Policy will be reviewed and updated in light of any recommendations made by the auditors with a view to it being approved by the CFA's Overview and Audit Committee.	Corporate Planning Manager	Green	The updated policy was approved by the Overview and Audit Committee on 11 March 2015 for recommendation to the Executive Committee on 18 March 2015, and the policy was formally adopted at that meeting.	March 2015

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Appendix B

Significant Governance Issues to be addressed in 2015/16

	Issue	Action Plan	Lead Officer	Target Date
1.	Continued review of firefighters pensions administration and oversight.	<p>Discussion is on-going with other authorities regarding entering into a shared pension administration arrangement.</p> <p>A specification of requirements has been drawn up, based on the current arrangement and those shared with us by other authorities.</p> <p>Once the final specification has been agreed between participating authorities a procurement exercise will be undertaken and a contract awarded to the successful bidder.</p>	Director of People and Organisational Development and Director of Finance and Assets	April 2016
2.	Review the processes for handovers between leavers and joiners.	This process will be reviewed and submitted to the relevant board(s) for approval.	Director of People and Organisational Development	April 2016
3.	Constitute a pensions board to oversee the administration of the firefighters pension schemes.	This is a new requirement for the Authority. The Authority has sought expressions of interest for board members and the first meeting of the board is planned for Q2 2015.	Director of Legal and Governance	April 2015 with first meeting in Q2 2015
4.	Ensure that appropriate governance arrangements are in place for major upcoming interdepartmental projects (e.g. Milton Keynes area review and business and systems integration)	For each project a governance arrangement will be agreed and implemented. These will set out clear terms of reference and monitoring arrangements.	Head of Service Transformation	On a project-by-project basis during 2015/16




Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	15 July 2015
OFFICER	Lynne Swift, Director of People & Organisational Development
LEAD MEMBER	Councillor Roger Reed
SUBJECT OF THE REPORT	Revised Whistleblowing Procedure
EXECUTIVE SUMMARY	<p>Since approval at the Overview and Audit Committee in March 2013 in-year textual amendments have been made to the Whistleblowing procedure in line with legislative changes and changes to the whistleblowing hotline number. Approval to the amendments has been through the delegated authority of Director of People and Organisational Development.</p> <p>The revised Whistleblowing procedure (version 7) is being presented at this meeting in line with the current procedural review arrangements. Approval is sought for the minor amendments being proposed to the procedure as detailed in appendix 1.</p>
ACTION	Decision.
RECOMMENDATIONS	<p>It is recommended that:</p> <ol style="list-style-type: none"> 1. The revised Whistleblowing procedure be approved for publication. 2. The next approval of the Whistleblowing procedure be in 2018 with any interim amendments as appropriate, i.e. legislative changes, being approved via delegated authority to the Director of People and Organisational Development.
RISK MANAGEMENT	<p>Business ethics are increasingly seen as an issue that can build or destroy a company's reputation. The Whistleblowing procedure sets out the procedure to be followed, giving clear guidance on when employees have concerns on what actions to take where the interests of others or of the organisation itself are at risk and where The Public Interest Disclosure Act 1998 may apply.</p> <p>The Whistleblowing procedure seeks to mitigate risk for the Authority and its employees. A clear procedure for raising issues will help reduce the risk of serious concerns being mishandled, whether by the employee or</p>

	<p>Authority.</p> <p>The updated Whistleblowing procedure has been reviewed by the Director of Legal and Governance and the Strategic Management Board prior to being presented at this meeting.</p> <p>There have been no matters requiring investigation under the Whistleblowing procedure since it was last updated by the Overview and Audit Committee in March 2013.</p>
FINANCIAL IMPLICATIONS	<p>The Whistleblowing procedure allows for employees/workers to use the Authority's external whistleblowing hotline number, in confidence, if they feel unable to raise a concern with an appropriate level of management.</p> <p>The direct and associated cost of the whistleblowing hotline number is an annual additional fee of £980 to the Occupational Health contract (PAM Assist), which forms part of the Occupational Health budget.</p>
LEGAL IMPLICATIONS	<p>Approval of the Authority's Whistleblowing procedure is reserved to the Overview and Audit Committee in its terms of reference. The changes to the law on whistleblower protection under the Enterprise and Regulatory Reform Act 2013 took effect on 25 June 2013 and were incorporated into the procedure under authority delegated to officers for that purpose by the committee at its March 2013 meeting</p>
HEALTH AND SAFETY	<p>There are no health and safety implications arising.</p>
EQUALITY AND DIVERSITY	<p>A People Impact Assessment has been updated and no adverse impacts have been identified.</p>
USE OF RESOURCES	<p>Communication with stakeholders; stakeholder communication is a significant element of successful implementation of the Whistleblowing procedure. The procedure will be communicated to staff in accordance with usual practice.</p> <p>The system of internal control; as part of the on-going review of the effectiveness and usage of this procedure, any concerns raised under the Whistleblowing procedure will be reported within the annual case management report. Although the Overview and Audit Committee will not review the procedure before 2018, it will monitor usage of the procedure when reported as part of the in annual internal audit reports.</p>
PROVENANCE SECTION &	<p>Background:</p> <p>20 March 2013 Overview and Audit Committee: Revised Whistleblowing procedure</p>

BACKGROUND PAPERS	http://bucksfire.gov.uk/files/4014/0633/2166/OA200313.pdf Minutes of the 20 March 2013 Overview and Audit Committee http://bucksfire.gov.uk/files/3514/0633/2179/OA260613.pdf
APPENDICES	Appendix 1 – Whistleblowing procedure (version 7.0)
TIME REQUIRED	10 minutes.
REPORT ORIGINATOR AND CONTACT	Lynne Swift lswift@bucksfire.gov.uk 01296 744679

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Procedure: Whistleblowing

To:	✓	Document Type:	Document Summary:
All employees, volunteers and contractors working for the Authority; including temporary staff.		Policy	This document sets out the procedure to be followed when employees have concerns on what actions to take where the interests of others or of the organisation <u>Authority</u> itself are at risk and where The Public Interest Disclosure Act 1998 may apply.
		Assessment	
	✓	Procedure	
		Guidance Note	
		Technical Note	
		Information	
		Safety Critical	

Keywords: Whistleblowing, concerns, complaint, anonymity, safeguarding, public concern at work, grievance, Public Interest Disclosure Act


Please note that as documents are frequently updated, if you print a document, its accuracy cannot be guaranteed, always check for latest version.

Document History

- 2.0 Issue 2.0 has been rewritten to enable employees to raise a concern in confidence with total anonymity through the Employee Assistance Programme (EAP). Other changes have been made to create a better fit with a number of other policies and codes of practice. For this reason no areas of the document have been highlighted to indicate where a change has been made.
- 2.1 Issue 2.1 includes Appendix A PPC’s internal process for dealing with Whistle blowing calls from employees.
- 3.0 Issue 3.0 includes a number of changes to contact details most significantly, the introduction of the InTouch service provided by the EAP.
- 4.0 Issue 4.0 has been rewritten; changes have been made to create a better fit with a number of other policies This places the procedure in the new format, clarifies the prescribed persons for reporting a concern and specifies the responsibilities of employees/workers, line managers and human resources.
- 5.0 Issue 5.0 reflects revisions in employment law on 25 June 2013.

6.0 Issue 6.0 Hotline phone number amended
~~6.0~~ 7.0 Document reviewed and reissued with minor amendments made

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**APPENDIX - Which procedure to use when a concern raised
 - Whistleblowing process flow chart**

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1.0 Introduction

1.1 Buckinghamshire and Milton Keynes Fire Authority (the Authority) is committed to achieving the highest possible standards of service and ethical standards in public life.

1.2 This document sets out the Authority's Whistleblowing procedure and encourages employees/workers to not overlook concerns they may have but to raise those concerns within the Authority through a supportive network.

1.3 The procedure forms part of the Authority's Anti-Fraud and Corruption strategy and provides a structured mechanism for employees/workers to raise any serious concerns about any aspect of the Authority's work without the risk of any subsequent detriment or disadvantage.


1.4 This procedure is in addition to the Authority's Complaints and Grievance procedure. It does not form part of the Discipline procedure, although disciplinary action may result from the application of this procedure.

2.0 Scope

2.1 This procedure applies to:

- a. All employees of the Authority, including temporary staff.
- b. Workers, including agency staff, consultants, self-employed individuals and trainees engaged to work in Authority establishments
- c. Contractors working for the Authority on Authority premises and suppliers and those providing services under a contract with the Authority on their own premises
- d. Organisations working in partnership with the Authority
- e. Volunteers working with or for the Authority (note that Volunteers are not currently covered by Public Interest Disclosure Act 1998)

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2.2 This procedure does not apply to:

- a. Members of the general public. Concerns raised by the general public should be made via the Authority's Complaints Procedure.
- b. Ex-employees as they become members of the public once they leave the Authority and therefore should follow the Authority's Complaints Procedure.

2.3 This procedure does not form part of the contract of employment.


2.4 Existing procedures are in place to enable employees/workers to lodge a grievance relating to their own employment. Any serious concerns that an employee/worker has about an aspect of service provision or conduct of anyone employed or working for the Authority, can and should be reported under this procedure.

3.0 Roles and Responsibilities

3.1 Both managers and employees/workers have a responsibility within this procedure. Managers will:

- a. Ensure the Whistleblowing procedure is ~~are~~ followed correctly, seeking advice from Human Resources where they are unsure.
- b. Support employees/workers who raise concerns under this procedure to ensure they do not suffer detriment as a result of their action e.g. loss of status/income/conditions of employment.
- c. Inform the Authority's Monitoring Officer (Director of Legal and Governance) when a concern is raised to them.
- d. Protect the identity of an employee/worker who raises concerns, by only

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telling those who need to know and asking them to respect the confidentiality of this information.

- e. Ensure that, even in the case of anonymity, the employee/worker is aware that any investigation may reveal the source of the information and they may be asked to give a statement as part of the process of gathering evidence.
- f. Where managerial or procedural action through a different procedure e.g. Discipline, is being taken against the employee who has raised concerns, the manager should contact Human Resources who in turn will contact the Authority's Monitoring Officer (Director of Legal and Governance), and other appropriate colleagues, to decide whether that action should be delayed whilst an investigation under the Whistleblowing procedure takes place.

3.2 Employees/Workers will:


- a. Act in good faith and not blow the whistle for personal gain or with malicious intent but use this procedure to raise concerns in the public interest.
- b. Reasonably believe their allegations and the information they provide are substantially true.

4.0 Principles

4.1 The procedure contained within this document is founded on the following principles:

- a. That employees/workers have a legal right and duty to report their concerns if they have a reasonable belief that wrongdoing may be occurring, or may have occurred, within the Authority.

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- b. That the Public Interest Disclosure Act 1998 protects employees/workers from reprisal, victimisation or harassment at work if they raise a concern in good faith.
- c. To encourage employees/workers to raise serious concerns within the Authority initially, rather than overlooking a problem or blowing the whistle outside.
- d. To encourage and enable individuals to raise concerns about any aspect of the Authority's work and receive feedback on any action taken without fear of reprisal.
- e. To ensure that individuals receive a timely response to their concerns.
- f. Not to discriminate against any individual in the application of this procedure on any grounds including: gender, transgender, race, trade union activities, disability, age, sexual orientation, trans-gender status, part-time work status, religion or belief or any other personal characteristic or quality.

5.0 Definition of Whistleblowing

5.1 Whistleblowing occurs when an employee ~~/or~~ worker raises a concern about a dangerous or illegal activity that they are aware of through their work and that may affect others, e.g. customers, members of the public, or their employer. A concern raised, also known as a protected disclosure under the Public Interest Disclosure Act 1998, does not need to be in the public interest to qualify for protection.

5.2 The whistleblower may not be directly or personally affected by the danger or illegality. Consequently, the whistleblower rarely has a personal interest in the outcome of the investigation and as such should not be expected to prove their case. Instead, he or she may raise the concern, also known as a protected disclosure, using the process outlined in this procedure, so that

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others can address it.

5.3 Concerns that are covered by this procedure include:

- Conduct which is an offence or breach of law
- Failing to comply with a legal obligation
- Health and Safety risks, including risks to the public as well as employees/workers
- Damage to the environment
- Abuse of clients
- Safeguarding concerns relating to children, young people or vulnerable adults
- Practice which falls below established standards of practice
- Possible fraud, corruption or financial irregularity including unauthorised use of Authority funds
- Any other unethical conduct
- Covering up information about anything listed above


5.4 This procedure incorporates provisions that are required from the Public Interest Disclosure Act 1998.

6.0 Exclusions

6.1 This procedure does not cover the following cases:

- a. Issues raised by the general public – in these instances the Authority’s Complaints procedure should be used
- b. Issues raised by an employee about their own employment – this is dealt with through the Grievance procedure
- c. Concerns regarding safeguarding will be raised under the Whistleblowing

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procedure to ensure that the employee/worker raising the concern is protected by Public Interest Disclosure Act 1998.

- d. This procedure is not to be used as an appeal mechanism for other procedures i.e. following an unfavourable outcome from the Grievance procedure unless employees/workers feel that the process in another procedure was significantly and seriously compromised.
- e. Employees/workers must not use dismissal or redundancy selection as sole reasons for making a disclosure under this procedure.

7.0 Misuse of the procedure


7.1 The Authority will take seriously any concerns raised that are subsequently proven to have been made maliciously. Any employee/worker, who is found to have acted maliciously, may be subject to the Discipline procedure.

7.2 If, however, an employee/worker raises a concern in good faith that is not later confirmed by investigations, no action will be taken against that employee/worker.

8.0 Confidentiality & Anonymity

8.1 If a concern is raised in confidence, the employee/~~is or~~ worker's identity will not be disclosed without first informing them. If the situation arises where the Authority is unable to resolve the concern without revealing the identity, e.g. because evidence is needed in court, this will be discussed first with the employee/worker who raised the concern to agree how to proceed. However, the Authority will not disclose the identity of the whistleblower to the person who is the subject of the disclosure or others not involved in the investigation unless it is absolutely necessary to do so and only with prior consent from the

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whistleblower.

8.2 It is important to note that it will be much more difficult to investigate the matter or proceed in instances where a concern is raised anonymously. Accordingly, whilst the Authority will consider anonymous reports, it may not be possible to apply all aspects of this procedure for concerns raised anonymously.

8.3 It is expected that all parties involved in the whistleblowing process will maintain strict confidentiality throughout by ensuring that only the people who need to know have access to details of the case (with the exception of any legal obligations requiring action from the Authority, e.g. in health and safety matters)

8.4 Any person found to have breached the terms of this procedure in relation to confidentiality may be subject to action under the Authority's Discipline procedure.


8.5 To qualify for protection, a disclosure made to the ~~Authority~~Employer must be in the "public Interest". An employee should not rely on a disclosure about a breach of their own employment contract to bring a whistleblowing claim.

9.0 Safeguarding

9.1 If an employee/worker has a concern that any person who works with children, young people or vulnerable adults, in connection with his/her employment or voluntary activity, has:

- a. behaved in a way that has harmed a child, young person or vulnerable adult or may have harmed a child, young person or vulnerable adult
- b. possibly committed a criminal offence against or related to a child, young person or vulnerable adult

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- c. behaved towards a child, young person or vulnerable adult in a way that indicates he/she is unsuitable to work with children, young people or vulnerable adults the employee/worker should raise the concern via the Whistleblowing procedure as this procedure affords the employee/worker protection under the Public Interest Disclosure Act 1998. It is important that a safeguarding concern is raised as a matter of urgency as the safety of others may be dependent upon the concern being dealt with swiftly.

10.0 Raising a Concern under the Whistleblowing Procedure

10.1 In the first instance, the employee/worker should raise their concern orally or in writing with their immediate line manager, or, if the concern involves the direct line manager, Human Resources.

10.2 Alternatively, if the employee/~~or~~ worker feels unable to raise a concern to an appropriate level of line management they may use the Authority's Whistleblowing hotline on: 0800 612 4471

10.3 Concerns can also be raised through the employee/workers trade union representative.

10.4 Workers, such as ~~agency workers or~~ contractors, should raise a concern with their contact within the Authority, usually the person to whom they report.


10.5 The employee/worker must make it clear that they are raising the concern under the Whistleblowing procedure.

10.6 If they wish to remain anonymous, they should make this clear to the person they contact.

10.7 Employees/workers will not be required to provide evidence of the concern, however, ~~but~~ will be expected to demonstrate ~~that~~ there are reasonable grounds for raising the issue.

10.8 Employees/workers should have nothing to fear by reporting concerns and

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individuals who do invoke the Whistleblowing procedure will be seen as 'witnesses' rather than 'complainants' by the Authority.

10.9 Any investigations that are deemed necessary following the reporting of a concern will not be influenced by ~~the any~~ Discipline or Managing Business Change ~~redundancy~~ procedures that may already affect employees/workers.

10.10 If an initial concern raised within the Authority includes any possible financial irregularity, the Director of Finance and Assets should be informed by the Director of Legal and Governance.

10.11 The employee/worker has a right to be accompanied by an appropriate trade union representative or work colleague at any meeting throughout the Whistleblowing process.


10.12 The Authority will not meet any costs associated with the attendance of the representative or colleague at a whistleblowing meeting beyond granting paid time off to an Authority employee.

11.0 Formal Stages of the Whistleblowing Procedure

11.1 Stage 1 – Meeting with line manager

- a. On receipt of the concern from the employee/worker, the line manager should inform the Authority's Monitoring Officer (Director of Legal and Governance) as to the nature of the concern.
- b. The line manager will then either continue to deal with the concern or refer it to Human Resources.
- c. The line manager will ~~then~~ write to the employee/worker within 7 calendar days of receipt of the concern to arrange a meeting to discuss the details of the concern that has been raised. This meeting should take place promptly.
- d. The line manager should take notes of the details of the concern either

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during or straight after the meeting.

- e. The line manager will ~~then~~ carry out a preliminary investigation and make a decision on whether a full investigation needs to take place or if urgent action needs to be taken e.g. referral to the police.
- f. If a decision to carry out an internal investigation is made, the line manager/Human Resources will appoint an Investigating Officer, and any parties involved in the concern will be interviewed. Notes of all meetings and interviews should be made.
- g. The line manager will then notify the employee/worker of the outcome in writing within 7 calendar days of the date of the meeting. This time limit may be extended if the investigation is fairly complex and will take time, ~~but~~ the employee/worker who raised the concern will be notified of any delay. This letter will be copied to the Authority's Monitoring Officer (Director of Legal and Governance).
- h. If the employee/worker is dissatisfied with the outcome at Stage 1, they may opt to take the matter to Stage 2 by writing to the Director of People and Organisational Development ~~Director~~ within 10 calendar days of the date of the decision letter at Stage 1.
- i. The Authority will also notify the person that is the subject of the disclosure within 7 calendar days of the date of the meeting. Upon receipt of the confirmation the individual will be able to appeal any decisions by writing to the line manager/ Human Resources within 7 calendar days.

11.2 Stage 2 – Meeting with the Director of People and Organisational Development ~~Director~~

- a. If the employee/worker has notified the Director of People and Organisational Development ~~Director~~ (Hearing Officer) in writing that they are dissatisfied with the outcome at Stage 1, the Director of People and

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Organisational Development ~~Director~~ will write to the employee/worker within 7 calendar days of receiving the letter to arrange a meeting to discuss the continuing concerns. This meeting should take place promptly.

- b. The Director of People and Organisational Development ~~Director~~ may then decide to investigate further and will need to decide what action to take. The employee/worker ~~must~~ will be updated with the outcome of the meeting, within 7 calendar days: a copy of the letter will be sent to the Authority's Monitoring Officer (Director of Legal and Governance).

~~copying the response to the Authority's Monitoring Officer.~~


- c. If the employee/worker is dissatisfied with the outcome at Stage 2, they may opt to take the matter to Stage 3, by raising the concern outside the Authority, within 10 calendar days of the date of the decision letter at Stage 2.
- d. Following a hearing if the employee/worker is dissatisfied with the way in which procedures were followed, they should put their concerns in writing to their relevant Human Resources contact in order that concerns may be addressed.

11.3 Stage 3 – Raising the Concern Externally

a. At Stage 3, the employee/worker is entitled to take their concern to any of the following:

- A County or Milton Keynes Councillor or the local Member of Parliament
- The District Auditor
- The Police
- Public Concern at Work3 (www.pcaw.co.uk or telephone 020 7404 6609)
- A trade union or professional association

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- The Local Government Ombudsman

In taking their concerns outside the Authority, the employee/worker should, as far as possible, avoid revealing confidential information (e.g. clients or other workers).

12.0 Director of People and Organisational Development ~~Director~~

12.1 Line managers may raise their concern initially to the Director of People and Organisational Development ~~Director~~ and then the Chief Fire Officer if they wish to take the concern to Stage 2.

12.2 In the event that a Director/Member of the Senior Management Team wishes to raise a concern under the Whistleblowing procedure, they will need to address their concerns to the Chief Fire Officer in the first instance, or directly to a Member of the Authority.


13.0 Investigation

13.1 When a concern is raised through the Whistleblowing procedure, it may be necessary to carry out an internal enquiry. In this instance, an Investigating Officer will be appointed by the Hearing Officer (Director of People and Organisational Development ~~Director~~) and is responsible for investigating events surrounding or leading to the concern raised.

13.2 The Investigating Officer will meet any other parties or witnesses named in the investigation or deemed to be relevant. At this point, a written summary of interview notes and any findings should be produced for the Hearing Officer.

13.3 If further allegations or information come to light during the course of the investigation the Hearing Officer must be kept informed.

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14.0 Action under the Whistleblowing Procedure

14.1 Feedback will be given to the employee/worker who has raised the concern under the Whistleblowing procedure. However, it may not be possible to tell the employee/worker the precise action that may be taken as a result, as this may infringe a duty of confidence owed by the Authority to another employee/worker.

14.2 Prior to any investigation, the line manager / Human Resources may decide to:

- Take action without the need for an investigation
- Take urgent action before an investigation takes place, e.g. suspension of an employee/worker, if sufficient initial evidence indicates this is warranted. See the Discipline Procedure for details on suspension.
- Undertake an investigation e.g. through the Discipline procedure.
- Refer the concern straight to the police. If a concern is referred straight to the police then an internal investigation must not be carried out as the police will wish to speak to all parties involved.
- Arrange an independent enquiry


14.3 Public Concern at Work is an accredited legal advice centre so an employee/worker who approaches this organisation does not breach the duty of confidence that they owe to their employer.

14.4 The employee/worker should be kept informed as to what decision has been made and an explanation given for the decision.

14.5 If a decision is made to take action under another procedure e.g. Discipline procedure, after an investigation, the line manager / Human Resources should:

- Write to the employee/worker who has raised the concern to inform them of the outcome within 7 calendar days of the meeting, with a copy sent to

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the copying in the Authority's Monitoring Officer (Director of Legal and Governance).

- Give reasons for the decision made and explain that the employee/worker has a right to take the matter to the next level and give details of how they should do this.

14.6 If, following the use of the Whistleblowing procedure, an individual believes they are being subjected to detrimental treatment by any person within the Authority, they must inform their relevant line manager immediately and appropriate action will be taken to protect them from any reprisals.

14.7 As part of the Authority's commitment to dealing with concerns raised via this procedure, any person who victimises or harasses an individual as a result of their having raised a concern under the procedure may be subject to disciplinary action.

14.8 Similarly any person who deters or attempts to deter any individual from genuinely raising concerns under this procedure may also be subject to disciplinary action.


15.0 Records

15.1 The Authority's Monitoring Officer (Director of Legal and Governance) will keep a central register of all concerns raised relating to the Authority. Confidential records of the outcome of any concerns raised will also be maintained.

15.2 Records should not be kept on the Personal Records File (PRF) of the individual who raised the concern under any circumstances. These records will be stored in a separate secure location within Human Resources.

15.3 As part of the on-going review of the effectiveness and usage of this procedure, any concerns raised under the Whistleblowing procedure will be

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~~reported within the annual case management report. an annual report will be issued to the Senior Management Team of all concerns raised under the Whistleblowing procedure.~~

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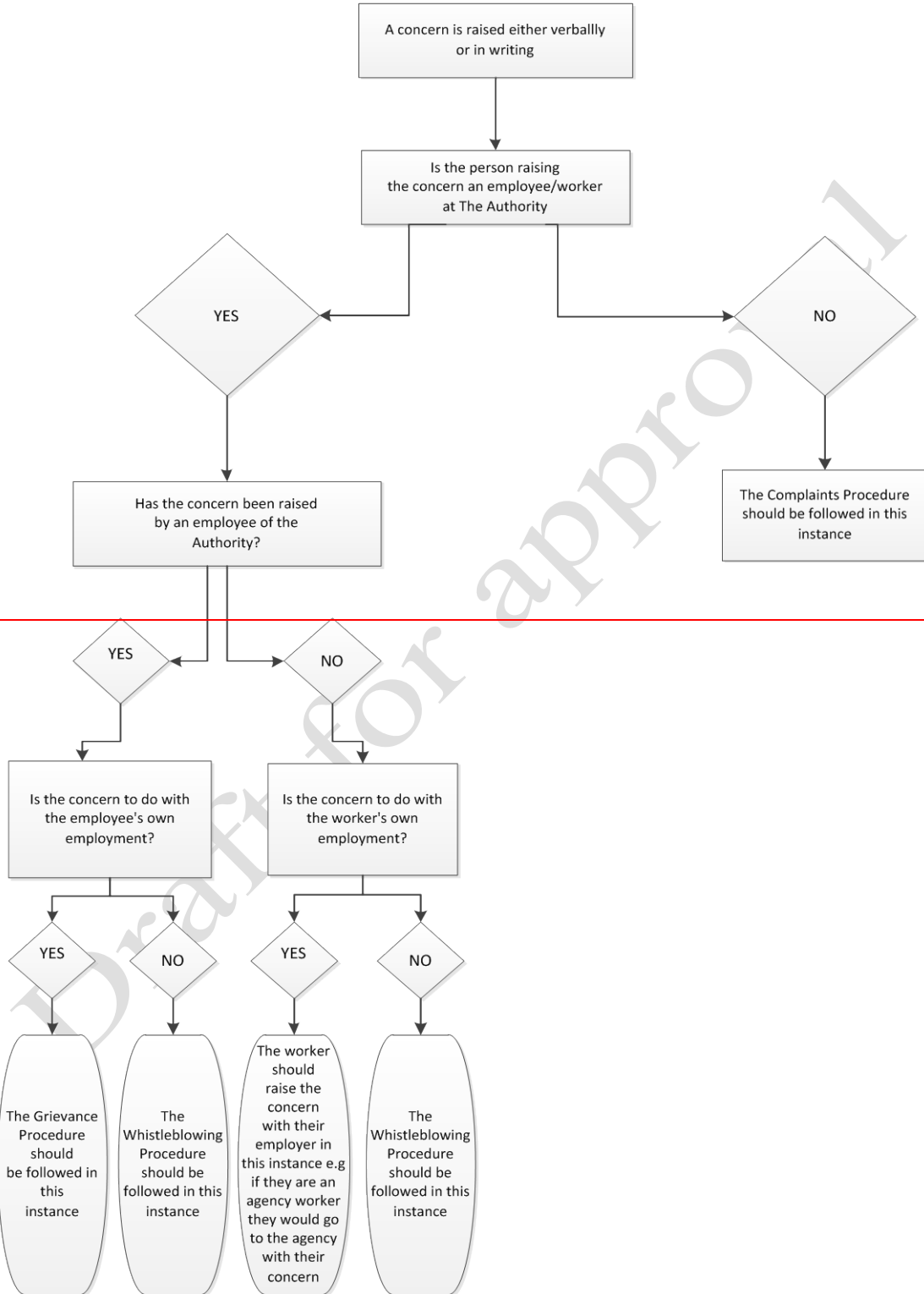
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WHICH POLICY TO USE WHEN A CONCERN IS RAISED



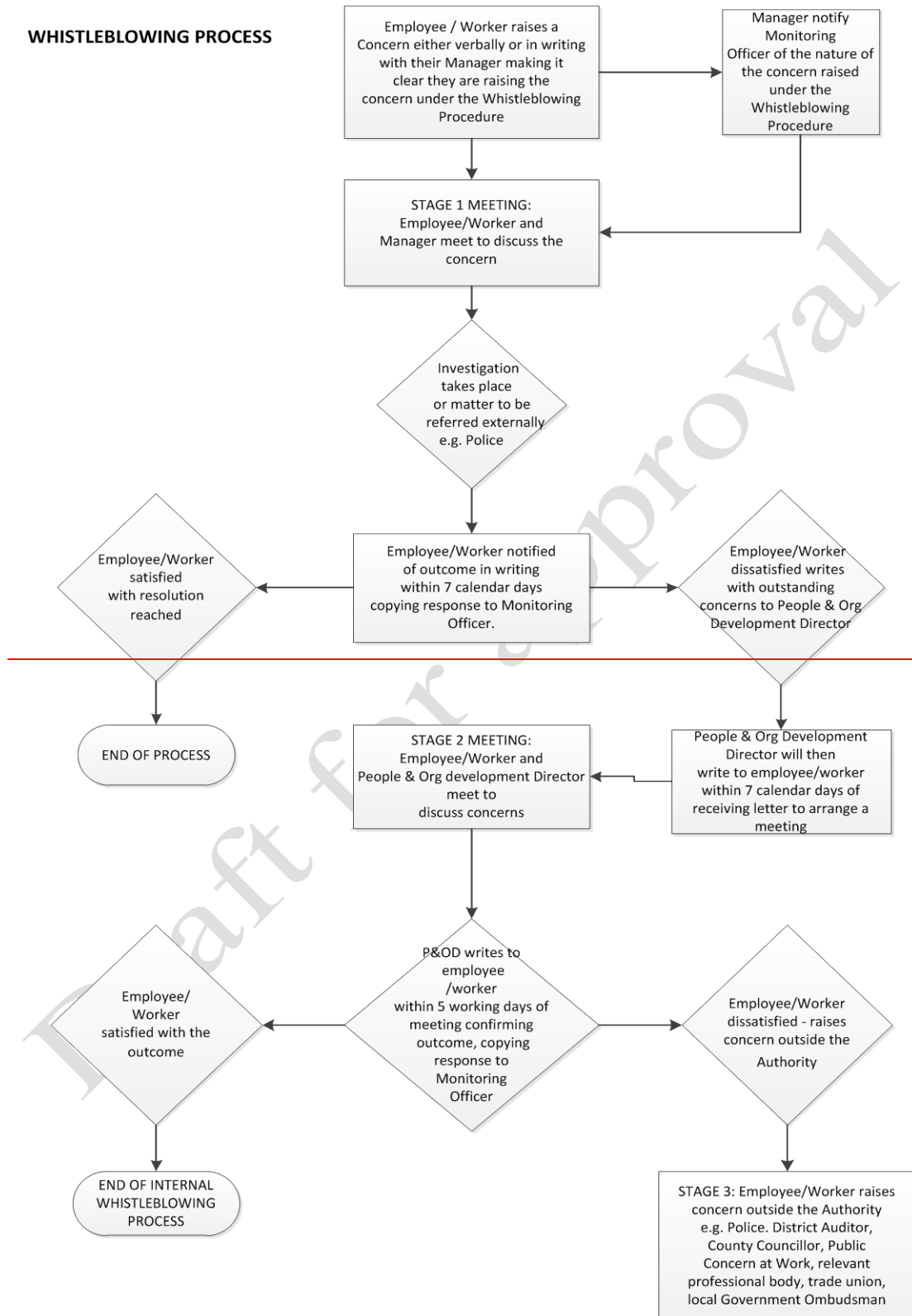
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WHISTLEBLOWING PROCESS



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Buckinghamshire & Milton Keynes Fire Authority




MEETING	Overview and Audit Committee
DATE OF MEETING	15 July 2015
OFFICER	Lynne Swift, Director of People & Organisational Development
LEAD MEMBER	Councillor Roger Reed
SUBJECT OF THE REPORT	Revised Code of Conduct
EXECUTIVE SUMMARY	<p>The Authority's vision is "To make Buckinghamshire and Milton Keynes the safest places in England in which to live, work and travel." In order to achieve and maintain this, it is necessary for the Authority to have certain standards that all employees are expected to understand and adhere to.</p> <p>The Authority's Code of Conduct was first issued in 2006. Since being published, the Code of Conduct has been detailed in a variety of documents, built up over time to reflect different circumstances. The revised Code of Conduct, as detailed in Appendix 1 which is being presented at this meeting has been produced to bring together all standards into a single document. This approach was a recommendation from the Corporate Governance Audit 2014/15 (recommendation 3).</p> <p>This Code has taken account of constructive feedback provided during the formal consultation process held in March to April 2015 (Appendix 2 details feedback). Wording that is highlighted in green indicates proposed amendments to the original draft version of this document and wording highlighted in red with a strike through are proposed deletions to the original draft version.</p>
ACTION	Decision.
RECOMMENDATIONS	<p>It is recommended that:</p> <p>The revised Code of Conduct (Appendix 1) is recommended for approval by the Executive Committee.</p>
RISK MANAGEMENT	<p>Employees at all levels are required and expected to show professional conduct and behaviour in all aspects of their employment. The Code of Conduct sets out the standards expected by the Authority, and whilst it is not intended to be exhaustive, it sets and defines the minimum standards of behaviour for those who work for the Authority.</p>

	<p>The Code of Conduct helps to promote, reinforce and support the highest standards from everyone who work for the Authority in order to achieve and maintain the Authority’s vision and values.</p> <p>The Code of Conduct seeks to mitigate risk for the Authority and its employees. A clear Code of Conduct will help reduce the risk of a breach of the standards expected by the Authority.</p> <p>All employees are expected to take ownership of the Code of Conduct. In order to embed the principles set out in the Code and ensure all employees fully understand the standards expected of them they will be advised of the Code of Conduct and the pertinent points within the document via their line management. The full Code of Conduct will also be published on the intranet and available to all employees. For new starters the Code of Conduct will form part of the induction process.</p> <p>Specifically for the Code of Conduct, behaviours are built into the Authority’s performance management system (appraisal). All employees will have an opportunity to receive feedback from their line manager at least on an annual basis and if necessary appropriate training and coaching will be made available.</p> <p>Human Resources will support line management and ensure all employment related policies and procedures reflect the Code of Conduct. Information will also be provided at staff training events which are periodically held on employment related policies and procedural matters.</p>
<p>FINANCIAL IMPLICATIONS</p>	<p>There are no financial implications arising.</p>
<p>LEGAL IMPLICATIONS</p>	<p>Incorporation into employees’ contracts is a matter of consultation rather than negotiation.</p> <p>Parliament introduced a power under section 82 of the Local Government Act 2000 (LGA 2000) to make regulations which would incorporate a prescribed National Code of Conduct into local government employees’ contracts. The ODPM consulted on a proposed draft National Code of Conduct in 2004; and the DCLG consulted again in 2008.</p> <p>The Code of Conduct regulations were implemented in Wales only, with the relevant parts of section 82 of the LGA 2000 being repealed in England by the Localism Act 2011. The Code being recommended for adoption is similar to the Code of Conduct in the Welsh regulations in terms of, for example, the text of the provisions relating to political neutrality and the treatment of confidential information.</p>
<p>HEALTH AND SAFETY</p>	<p>There are no health and safety implications arising.</p>

<p>EQUALITY AND DIVERSITY</p>	<p>A People Impact Assessment has been updated and no adverse impacts have been identified.</p>
<p>USE OF RESOURCES</p>	<p>Contribution to the achievement of strategic objectives; the Code of Conduct provides a 'golden thread' mechanism to align the corporate objectives to individual performance outcomes and service delivery.</p> <p>Communication with stakeholders; stakeholder communication is a significant element of successful implementation of the Code of Conduct. The Code of Conduct will be communicated to staff in accordance with usual practice.</p>
<p>PROVENANCE SECTION & BACKGROUND PAPERS</p>	<p>Background: OC81/01 Code of Conduct issued September 2006</p>
<p>APPENDICES</p>	<p>Appendix 1 – Code of Conduct (version 2.0) Appendix 2 – Consultation feedback</p>
<p>TIME REQUIRED</p>	<p>10 minutes.</p>
<p>REPORT ORIGINATOR AND CONTACT</p>	<p>Lynne Swift lswift@bucksfire.gov.uk 01296 744679</p>

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Procedure Note: Code of Conduct

To:	Document Type:	<input checked="" type="checkbox"/>	Document Summary:
All employees of the Authority, including temporary staff.	Policy	<input type="checkbox"/>	This document sets out the arrangements to allow employees to comply with the Code of Conduct expected by Authority employees.
	Assessment	<input type="checkbox"/>	
	Procedure	<input checked="" type="checkbox"/>	
	Guidance Note	<input type="checkbox"/>	
	Technical Note	<input type="checkbox"/>	
	Information	<input type="checkbox"/>	
	Safety Critical	<input type="checkbox"/>	
Keyword: conduct, behaviour, confidentiality, equality and diversity, data protection, fraud, corruption, political neutrality, register of interest, disclosure of information, hospitality, gifts, social media, dress, appearance, relationships			
Please note that as Documents are frequently updated, if you print a document, its accuracy cannot be guaranteed, always check for latest version.			

Document history:

- 1.0 OC81/01 issued September 2006
- 2.0 Document updated

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1.0 Introduction

Buckinghamshire & Milton Keynes Fire Authority (the Authority) is a publicly accountable body which manages Buckinghamshire & Milton Keynes Fire & Rescue Service on behalf of the communities it serves. The Authority will aim to;

- Ensure that all employees are aware of the vision, values and behaviours expected within the workplace
- Improve the Authority’s performance through building the skills of a diverse workforce that reflect the community
- Ensure employees have an understanding of how the Service operates, in order to be as effective as possible within their role

The Authority’s vision is;

“That Buckinghamshire and Milton Keynes are the safest areas in England in which to live, work and travel.”

Underpinning everything the Authority does is a set of values which is aspirational for all employees where they engage with others; be it with the public, partner agencies or colleagues. These values will be reflected throughout the employment related policy themes and will be utilised as corporate and public safety plans are developed and implemented.

Employees at all levels are required and expected to show professional conduct and behaviour in all aspects of their employment. A climate of mutual confidence, trust, loyalty and respect between managers, employees and other partners is critical to achieving the corporate aims and providing a high quality service. An employee must observe this Code of Conduct whenever they:

- conduct the business of the Authority
- conduct the business of any office to which they are appointed by the Authority, or

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- acts as a representative of the Authority

The public is entitled to expect the highest standard of conduct from all employees of the Authority. This Code provides information for employees on the minimum standards that are expected by the Authority. It is not intended to be exhaustive, and does not address every possible circumstance. Simply because a particular action may not be addressed within the Code, does not condone that action by its omission.

Employees who have concerns over meeting any aspect of the Code of Conduct or any concerns about impropriety or breach of the Code should discuss these with their line manager at the earliest opportunity.

2.0 Scope

The Code set out in this document applies to all employees of the Authority, regardless of contract.

Additional Codes of Conduct are applicable for Councillors and Co-opted Members of the Authority and Members of the Local Pension Board.

3.0 Working within the Code of Conduct

Employees of the Authority are expected to give the highest possible standard of service to the public and, where it is part of their duties, to provide appropriate advice to members, managers and other employees with impartiality. Employees must perform their duties with honesty, integrity, impartiality and objectivity. This includes not giving personal opinions about Authority policy or procedures to the press and complying with procedures and guidance relating to social media. All employees should:

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- Work reliably and diligently
- Carry out any proper instruction given by managers, including general instructions contained in policies, procedures, financial regulations and instructions, contracts, legal requirements, safety or other codes of conduct and rules applicable
- Complete accurately and honestly any document, form or record required for work. Never destroy, damage, alter or falsify any document or record

Employees should, at all times, treat colleagues with respect and politeness. Many behaviours are reviewed as part of the annual performance review process. If an employee believes they are directly affected by unacceptable behaviour, or witnesses any unacceptable behaviour, they should speak with their line manager or suitable alternative immediately.

Should an employee have any concern about impropriety, breach of procedure, any deficiency in the provision of the service, it should be reported to their line manager or through another appropriate procedures such as the Grievance procedure.

The Authority has published policies, procedures and financial regulations and instruction, which describe important rules and standards, and all employees are expected to work in accordance with these documents

The Authority will undertake to apply this Code of Conduct consistently and fairly. Any breach of the Code of Conduct may result in the Discipline procedure being instigated. Some breaches (known as gross misconduct) can be serious enough to warrant disciplinary action up to and including dismissal. Examples of gross misconduct can be found in the Discipline procedure.

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4.0 Working within the law

The Authority through its employees must carry out its business in a way that is proper and fair. Employees must not act or do anything without statutory authority and without following the relevant procedures.

The Authority expects employees to work within the law. Unlawful or criminal behaviour at, or away from work, may result in a loss of trust and confidence in the employee or the Authority.

All employees must:

- Uphold the law at work
- Understand the law relevant to their sphere of work
- Never break or disregard a law away from work which could damage public confidence in them or the Authority, or which makes them unsuitable for the role they do

Should an employee be found guilty of any criminal offence whilst employed by the Authority, they must inform their line manager as soon as practicable at the time of charge and/or conviction. If an employee is unsure about whether or not an offence should be disclosed, guidance should be sought from Human Resources. Employees must:

- Disclose any criminal offence they have been convicted of
- Disclose any criminal charges which have been made against them

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5.0 Equality & diversity

The Authority is fully committed to equality and diversity and recognises that fairness and inclusion is fundamental to everything the Authority does in order to achieve its aim of making Buckinghamshire and Milton Keynes safer. The Authority’s policies, practices and procedures will be fair, open and transparent, providing an equality of opportunity to all employees and an effective service that understands and meets the needs of all parts of the local communities.

The Authority believes that a workforce, which better reflects the diversity of the local working population, will create a stronger, more enriched, and well informed organisation, able to meet the expectations for a modern Fire & Rescue Service. The Authority will therefore seek to attract talented people from all parts of the community, and to support their development and retention.

Bullying, harassment, unfair discrimination and unacceptable behaviours will not be tolerated. The Authority will ensure that it manages any complaints or concerns in a prompt, fair and equitable manner.

The Authority respects both visible and non-visible differences, and believes that such an environment will enable the Authority to achieve exceptional results.

6.0 Health, safety and welfare

The Authority takes its legal, contractual and moral obligations as an employer seriously and aims to provide a safe and healthy place of work. Each employee has a legal obligation under Section 7 of the Health and Safety at Work Act 1974 to take reasonable care for their own health and safety and for the safety of others who may be affected by their acts or omissions. Employees also have a duty to comply with the Working Time Regulations 1998, Driving Regulations and any other health, safety and welfare legislation and guidance. Failure to do so may endanger the employee, the public and other employees.

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Operational fitness

All employees are expected to maintain an appropriate level of fitness to undertake their role. The operational firefighter role imposes a significant physiological strain on the body, the maintenance of an appropriate level of fitness is essential to ensure operational personnel are able to perform their roles safely and effectively.

Support Services staff

Whilst there is not an expectation for Support Services staff to maintain an appropriate level of fitness to undertake their role, they are encouraged to maintain an acceptable level of fitness for their own health and well-being.

Substance misuse

The use of substances by any employee must not impair the safe, efficient running of the Authority or put at risk the health, safety or welfare of its employees, suppliers or members of the public. Employees must not report, or try to report to work whilst impaired through alcohol, drugs or other substances.

Smoking

The Authority is committed to the provision of a tobacco smoke free working environment. Employees are not permitted to smoke:

- In the workplace
- Undertaking their duties
- In uniform or corporate wear whilst representing the Authority
- In Authority vehicles

7.0 Data protection

The Authority collects and uses information about the people with whom they deal. The Authority will also acquire information about others in the course of those dealings. These people – collectively called 'data subjects' - include employees, users

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of services, staff in other organisations and institutions, as well as contractors and suppliers of various kinds. The information can be factual information, such as name and address, or expressions of opinion about our intentions towards individuals. It can occur in any form or format - word documents, databases and spread-sheets, emails, CCTV, audio recordings, photographs, paper files etc.

The Data Protection Act obliges the Authority, as a Data Controller, to manage the information they hold in a proper way. It states that anyone who processes personal information must comply with eight principles, which make sure that it is:

1. Fairly and lawfully processed
2. Processed for limited purposes
3. Adequate, relevant and not excessive
4. Accurate and up to date
5. Not kept for longer than is necessary
6. Processed in line with individual rights
7. Secure
8. Not transferred to other countries without adequate protection

Any individual about whom personal data is retained or is being processed will be informed of:

- The purpose for which this is being done
- To whom such data may be disclosed
- The source of such data and who will have access to it on request
- How to have such data corrected or erased, where appropriate

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8.0 Confidentiality

The Authority acknowledges the importance of preserving confidentiality of information. It is expected that all employees understand the importance of treating information in a discreet and confidential manner and do not disclose such information. Breaches of confidentiality may lead to disciplinary action, which could include dismissal.

9.0 Politically restricted posts

Some posts within the Authority are politically restricted under Part 2 of the Local Government and Housing Act 1989 (the LGHA 1989) (as amended). The restrictions aim to prevent politics coming into play where an employee is in a politically influential position. This could be where an employee implements the Authority’s policies, gives advice to, or speaks on behalf of, the Authority,

If this applies to a post political restrictions means that the post holder will be prevented from having any active political role either inside or outside the workplace. Individuals will be advised if a post is politically restricted at the application stage of the recruitment process. The post holder will not be able to:

- Hold or stand for elected office
- Participate in political activities, publicly express support for a political party or undertake other activities such as canvassing on behalf of a person who seeks to be a candidate
- Speak to the public at large or publish any written or artistic work that could give the impression they are advocating support for a political party

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10.0 Political neutrality

Employees must not do anything which compromises or which is likely to compromise, their own political impartiality or of others who work for, or on behalf of, the Authority. Amongst other things this means employees will:

- provide appropriate advice with impartiality
- without fear of recrimination, bring to the attention of management any deficiency in the provision of service or any impropriety or breach of policy or procedure
- serve the Authority as a whole, i.e. all employees and not just those of, for example, a controlling political group
- ensure that the individual rights of all employees are protected
- in advising political groups or their representatives, to not compromise political neutrality and to respect the individual rights of all councillors or group
- when using or authorising the use by others, the resources of the Authority, act in accordance with the Authority’s lawful requirements and not allow his/her own political or personal opinions to interfere with his/her work
- maintain political impartiality during pre-election periods, and particularly around election campaigns

Councillors usually direct enquiries for information through the Chief Fire Officer or Directors. However, if an employee receives a direct approach from a Councillor for information and they are doubtful about whether it is appropriate to provide the information or about the Authority’s ability to supply the information, they should advise the Councillor accordingly. In all cases the employee should speak with their line manager to establish the best approach to dealing with such matter.

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11.0 Use of financial resources

Employees must ensure they use any public funds entrusted to them in a responsible and lawful manner. Employees must strive to ensure value for money to the local community and to avoid legal challenge to the Authority in all circumstances.

Employees must ensure they use any public funds, vehicles or equipment entrusted to them in a responsible and lawful manner. Employees must strive to ensure value for money to the local community and to avoid legal challenge to the Authority in all circumstances.

12.0 Appointments and other employment matters

Employees involved in staff selection decisions should ensure their decisions are made on the basis of merit and in accordance with the Authority's Recruitment and Selection procedure. It would be unlawful for an appointment to be made on the basis of anything other than the ability of the candidate to undertake the duties of the post.

In order to avoid any possible accusation of bias, an employee must not be involved in an appointment where they are related to an applicant, or they have a personal relationship outside work with them.

13.0 Secondary employment

The Authority expects the highest standard of conduct from all employees. Employment or other personal interests which may impact upon, or conflict with, the Authority's interests should not be pursued. Further detail can be found in the Secondary Employment procedure.

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Secondary employment is prohibited unless the employee has the express permission of the Authority in writing. An approval authorising secondary employment is conditional upon the employee being compliant with the Working Time Regulations 1998 and the Working Time (Amendment) Regulations 2003.

If employees are unsure of whether they need to notify the Authority of outside roles / secondary employment they should seek guidance from their line manager in the first instance who will take advice as necessary from Human Resources or the Authority Monitoring officer – Director of Legal & Governance.

Voluntary work will be looked at on a case by case basis, and the individual should discuss this with their line manager in the first instance. Consideration will be given to the type of role and the potential impact this may have on the individual’s primary role.

14.0 Standards of dress and appearance

The Authority expects employees to dress appropriately in business attire or uniform. Employees are expected to demonstrate good judgement, professional taste and courtesy to co-workers by dressing in a manner than is presentable and appropriate for the workplace.

Some roles will require the wearing of uniform. If provided with a uniform, this must be worn as specified and not in conjunction with non-issued clothing. Provided uniform must not be worn whilst out of work, except for travelling to and from work, or attendance at Authority functions. If uniform is to be worn for any other reason, prior written permission must be obtained from the line manager.

Employees who are required to wear personal protective clothing (PPE) which is provided by the Authority must not, under any circumstances, wear alternative clothing whilst performing safety critical tasks. The contravention of this requirement will be treated as a disciplinary matter.

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Employees who wear business attire that is deemed inappropriate in the workplace will be dealt with on an individual basis. Unsuitable business attire includes, however not limited to, denim jeans, logo t-shirts, shorts, flip-flops.

The Authority respects the right of employees who, by the nature of their religious convictions, may choose to wear items of clothing, jewellery or insignia at work. However, this must be appropriate for the workplace and for the role undertaken; it cannot inhibit the employee from carrying out their role or compromise any health and safety procedures.

Particular items of uniform or corporate clothing can be provided or adjusted in order to meet the needs of pregnant women, or staff with individual needs associated, for instance, with a disability.

An acceptable standard of personal hygiene must be maintained by all employees.

Jewellery

Jewellery should be kept to a minimum and must not represent a hazard when dealing with equipment or PPE, or inhibit work performance. The wearing of earrings and studs is acceptable subject to the above provisions, however other visible piercings (for instance, eyebrow, lips, nose, and tongue piercings) are not considered in keeping with a professional image if an employee deals regularly with the public or represents the Authority at meetings. At other times, such jewellery should be restricted to a small stud.

Hair

Hair is to be worn in a smart and professional manner, hairstyles such as a Mohican is not acceptable. If hair is coloured or bleached, it must remain within naturally occurring hair colours. Flammable styling products are not to be used by operational staff.

When at incidents, employees should wear their hair so they do not put their safety and the safety of others at risk. Uniformed employees who choose to wear their hair long for

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religious or other reasons must maintain it in a safe manner. If wearing a helmet, hair will be completely inside the helmet or fastened back and under the fire kit

The maintenance of hair to a safe and satisfactory standard will rest with the individual; however, the line managers will be responsible for ensuring that hair is worn in a manner that does not jeopardise the health and safety of themselves or others whilst at work.

Facial hair can compromise the seal of a facemask. All uniformed operational employees must be able to maintain a seal as laid out in the BA set general checks for the duration of time they are on call or on duty.

Tattoos

Employees are asked to consider the requirements of the workplace when choosing the placement and style of new tattoos. Any tattoo considered discriminatory, violent, profanity or intimidating is prohibited.

For those employees engaged in community facing roles, the Authority prohibits visible tattoos, primarily on hands, face and above the collar line.

For those employees in non community facing roles, where tattoos are visible, these should be discrete and in keeping with the professional image of the Authority.

Employees may be requested to cover tattoos, for example by wearing long sleeved shirts where there is likelihood that they may cause offence or project an unprofessional image.

For those employees, who in the absence of there being a previously defined procedure, have chosen to have what are termed visible tattoos, a professional discussion between the line manager and the individual concerned should take place, in order to make clear the future expectations required of them. This may include determining what work related activities, be it on or off Authority premises, that require the covering of visible tattoos where practicable.

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For employees considering a new tattoo, it is recommended for them to speak with their line manager in the first instance, to remove any uncertainty with regards to what constitutes being a visible or unacceptable tattoo. The line manager must determine the suitability of the tattoo being proposed and that it will comply with the professional image of the Service.

An employee, who chooses to get a tattoo that the Authority deems as unacceptable, may be requested to get the tattoo removed at the employee’s expense if it is not practicable for the tattoo to be covered up.

Line managers should ensure that employees under their supervision adhere to the standards of dress and will be responsible for identifying cases that do not meet with this Code and for taking appropriate action to resolve such matters, which may include discipline action up to and including dismissal.

15.0 Relationships

To ensure there are no conflicts of interest, there is an expectation that employees inform the Authority of any relationships they may have with other staff members within the Authority. The definition of relationship in this circumstance is:

- Spouse or partner
- Siblings
- Parents/grandparents
- In-laws
- Any other relationship with another colleague within the Authority which could be viewed as a conflict

Personal relationships that will pose a risk for the employee and Authority are:

- Participating in any recruitment and selection activity where there is a personal relationship with a candidate

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- Line management responsibility
- Providing input into any performance appraisal or development
- Providing input into any recommendation for salary or reward

Councillors

Employees are responsible to the Authority through their senior managers. A role may require an employee to give advice to councillors on the Fire Authority, independent members of the Fire Authority and members of other Authorities. Mutual respect between employees, councillors and independent members is essential. Close personal familiarity between employees and individual councillors can damage the relationship and prove embarrassing to other employees and councillors. It should therefore be avoided.

The Local Community and Service Users

Employees of the Authority should always remember that their responsibilities are towards the community which they serve and ensure courteous, efficient and impartial service delivery to all groups and individuals within that community, as defined by the policies and procedures of the Authority.

Contractors

All relationships of a business or private nature with external contractors or potential contractors should be made known to the employee’s line manager. Orders and contracts must be awarded on merit, by fair competition between other tenders, and no special favour should be shown in the tendering process. Particular care needs to be taken in relation to businesses which the employee is aware are either run by, or employ, in a senior or relevant management capacity, either existing or former employees, friends, partners or relatives.

All relationships of a personal or private business nature, whether previously or currently held, with external contractors, contractors bidding for contracts, the purchasing of goods or services must be reported to the employee’s line manager for inclusion in the relevant Register of Interests.

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16.0 Disclosure of Information

There is a statutory responsibility that requires certain types of information to be made available to Councillors, auditors, government departments, service users and the public. The Authority itself may decide to be open about other types of information.

Employees must not use any information obtained in the course of their employment for personal gain or benefit, nor should they pass it on to others who might use it in such a way.

It is expected that some employees will have contact with the media when appropriate to their role, e.g. information about operational incidents, proactive use of the media to support community safety activities, or other work related activities. It is imperative that no personal or personal sensitive information is shared with the media or any information that, together with other information likely to be or come into their possession, could lead to the identification of an individual without the individual's consent.

Unauthorised or improper use of Authority information is a serious offence, and will be dealt with in accordance with the Discipline procedure, which may include action up to and including dismissal.

Employee's privity to Authority information on tenders or costs for either internal or external contractors should not disclose that information to any unauthorised party or organisation, including any other potential bidder whether internal or external.

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17.0 Registration of interests

All employees must comply with any requirements of the Authority; to register or declare interests; and to declare hospitality, benefits or gifts received as a consequence of their employment within the Authority.

In considering what it is appropriate to register individual employees may need to include the interests of family and friends, where these have an impact on, or could be interpreted as influencing the employee’s conduct in relation to the performance of their duties.

If an employee has any financial interests that could conflict with the Authority’s interests, they should declare these in writing to their line manager for inclusion in the relevant Register of Interests.

If an employee has any non-financial interests they consider could bring about conflict with the Authority’s interests they should declare, in writing, these to their line manager for inclusion in the relevant Register of Interests. These might, for example, include a relationship with somebody seeking guidance on fire safety regulations, or who is seeking advice under the building control regulations, membership of a school governing body or of the committee of a voluntary organisation, where this is relevant to the employee’s area of work.

If an employee is unclear as to the relevance of a particular matter of personal interest they should speak with their line manager in the first instance.

Employees must declare any interest they think may be covered by this Code, in writing, as soon as they become aware that such an interest may arise, and update the Register of Interests as and when appropriate.

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Line managers who receive a declaration of personal interest should discuss the circumstances with the Director of Legal and Governance, who will determine what action should be taken in order to safeguard the Authority’s interest. This may, for example, result in a decision that the employee concerned should not engage in the particular work activity that has given rise to the declaration. Such a decision might also arise if an employee had indicated that they were not prepared to disclose an interest which the Director of Legal & Governance reasonably believes may have a detrimental impact on the Authority’s interest taking into account the role of the employee concerned.

The Registers of Interests will be kept securely under the control of the Director of Legal and Governance.

18.0 Counter fraud and Corruption

The Fire Authority expects all members, employees, consultants, contractors, suppliers and partner organisations, to act honestly and with integrity and to safeguard the public resources for which they are responsible, and to provide any help information and support necessary to deal with fraud and corruption.

The Authority will not tolerate any level of fraud or corruption; consequently, any case will be thoroughly investigated and dealt with appropriately. The Authority is committed to ensuring that opportunities for fraud and corruption are reduced to the lowest possible level of risk.

Where relevant, the Authority will include appropriate clauses in its contracts about the consequences of fraud, bribery and corruption; evidence of such acts is likely to lead to a termination of the particular contract and may lead to prosecution. In respect of employees, the Authority’s disciplinary rules are such that fraud and corruption are considered to be potential gross misconduct and if proven, will normally result in dismissal.

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It is a serious criminal offence for an employee to seek to influence the placing of a contract by or from the Authority through:

- the receiving or giving of any gift, loan, fee, reward or advantage, or
- by either taking inappropriate action or failing to take action when there is a clear need to do so, or
- by showing favour, or disfavour, to any person or organisation.

An employee must not take advantage of their position within the Authority. For example:

- By acquiring goods or services at a preferential rate which would not normally be available to other Fire Authority employees
- By acquiring goods or services at a reduced rate because a contractor or those bidding for contracts in the employee’s area of work, or another person or body seeking influence with the Authority treats the employee, their relatives or friends more favourably than others
- By accepting gifts or hospitality from a contractor or those bidding for contracts with the Authority or any other person or body seeking influence with the Authority
- Employees may be offered goods and services at a reduced rate by one of the Authority’s suppliers. If this reduced rate is widely publicised as being available to all Authority employees then the purchase of these items would not generally need to be registered. However, if an employee is in a position to influence the purchasing decisions of the Authority in relation to these items, they must register them in accordance with the Register of Interest. Account would need to be taken of the level of authority that the employee had in relation to the decision making and the number of checks in place involving other levels of authority
- A relationship between a supplier of goods and/or services and the Authority, should not affect the purchasing practice of an employee in a situation where the prices to the public are published and the employee is purchasing at the

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published prices. Therefore, an employee would not need to register where they purchase their weekly shopping, for example

However, where there is a general expectation that prices are open to negotiation and an employee is responsible for advising on purchasing decisions relating to those items, it would be appropriate for the employee to register this.

Whistleblowing

Employees have a legal right and duty to report any concerns if they have reasonable belief that wrongdoing may be occurring, or may have occurred within the Authority.

A structured mechanism is available for employees to raise any serious concerns about any aspect of the Authority’s work without the risk of subsequent detriment or disadvantage and staff are encouraged to raise serious concerns within the Authority initially, rather than overlooking a problem or blowing the whistle outside.

The Public Interest Disclosure Act 1998 protects employees/workers from reprisal, victimisation or harassment at work if they raise a concern in good faith.

The Authority will take seriously any concerns raised that are subsequently proven to have been made maliciously. Any employee/worker, who is found to have acted maliciously, may be subject to the Discipline procedure. If, however, an employee/worker raises a concern in good faith that is not later confirmed by investigations, no action will be taken against that employee/worker.

19.0 Hospitality and gifts

Employees are expected to register all offers of hospitality or gifts that are received, whether or not they are accepted and offers of hospitality and/or gifts must be registered as they are received. It is not appropriate for these to be done on an annual basis.

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The declaration of hospitality and gifts form should be completed on all occasions by the employee and line manager for forwarding to the Legal and Governance Directorate.

Hospitality

The utmost discretion must be exercised in accepting offers of hospitality from contractors, potential contractors or their representatives, or from other organisations or individuals involved in commerce. Whether hospitality can suitably be accepted depends on the nature and on the circumstances and a precise rule cannot be laid down. Generally speaking all hospitality, including reciprocal hospitality, should be such as would seem to be reasonable and appropriate in the circumstances.

Employees should only accept offers where there is a genuine organisational need to impart information or represent the Authority in the community. Offers to attend purely social or sporting functions should not generally be accepted unless the Authority specifically wishes to be represented. All offers of hospitality must be recorded on the relevant Register of Interests and those accepted must additionally be authorised by the line manager.

Acceptance of hospitality through attendance at relevant conferences and courses is acceptable where it is clear the hospitality is corporate rather than personal, and offered to the Authority rather than the individual employee on a personal basis. In such cases employees should obtain the consent from the line manager in advance and it must be recorded on the Register of Interests.

Gifts

As a general rule employees should not accept significant personal gifts from clients, contractors and outside suppliers. Gifts, such as wines or spirits, which are given to individuals, must not be accepted. However, the Authority allows employees to keep insignificant items of token value such as pens, diaries etc.

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Authority employees must not accept personal payments from clients, contractors or outside suppliers. Cash and monetary gifts should always, without exception, be refused.

An employee declining a gift should do so politely and, where practical, return it to the donor with an explanation as to why it cannot be accepted. Where returning the gift is likely to be expensive or inconvenient, it should be donated to a suitable charity and the donor advised of what has happened and politely requested not to make similar gifts in the future.

Whether a gift (including a gift offered to a relative or partner) is accepted or refused, the employee’s line manager should be informed and the circumstances should be recorded on the Register of Interests.

20.0 Sponsorship - giving and receiving

Where an outside organisation wishes to sponsor or is seeking to sponsor an Authority activity, whether by invitation, tender, negotiation or voluntarily, the basic conventions concerning acceptance of gifts or hospitality apply. Particular care must be taken when dealing with contractors or potential contractors.

Where the Authority wishes to sponsor an event or service and an employee is involved in some way in consideration of the application, the employee or individuals connected to that employee must not benefit from such sponsorship without there being full disclosure to the line manager for inclusion on the Register of Interests. Similarly, where the Authority through sponsorship, grant aid, financial or other means, gives support in the community, employees should ensure that impartial advice is given and that there is no conflict of interest involved.

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21.0 Acceptable use of technology

Employees should not do anything which would risk the integrity of the Authority’s ICT systems. This can include the use of unauthorised or unlicensed software on the Authority’s system.

The Authority provides access to ICT systems to support its business activities. During the working day these ICT systems should only be used to access role-related information.

The Authority allows limited personal use of the internet and email for the duration of an authorised break or prior to the start of / at the end of a working day. Any personal use must be in accordance with the Authority values and current legislation and must not disrupt the system.

The Authority accepts that employees may bring in their personal devices into work. Personal devices must only be used during authorised breaks or prior to the start of / at the end of a working day. This also applies to the use of mobile phones; however the Authority does accept that an employee may be required to use their phone in emergency situations whilst at work.

Whilst at work, all personal devices must be on silent and kept securely by the employee. The Authority accepts no liability for loss or damage to personal property.

In exceptional circumstances, employees may use their own personal devices whilst at work; however this must only be done with the express permission on the employee’s line manager.

To help protect users from accidentally accessing inappropriate sites e.g. sites that hold unlawful, obscene, or other materials / images which conflict with Authority values a number of sites are blocked. The list of websites which are blocked is continually being reviewed and revised. If a user accidentally visits a site which they feel to be inappropriate, they must notify the IT Department immediately.

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Employees should be aware that ICT systems are monitored.

22.0 Protecting the Authority’s business reputation

All employees are responsible for protecting the corporate reputation of the Authority. Employees must not post libellous or defamatory statements about the Authority, clients, suppliers and vendors, and other affiliates and stakeholders.

Employees should also avoid social media communications that might be misconstrued in a way that could damage our business reputation, even indirectly.

Employees should make it clear in social media postings that they are speaking on their own behalf when communicating via social media, write in the first person and use a personal email address when communicating via social media.

Employees are personally responsible for what they communicate in social media. What is published might be available to be read by the masses (including the organisation itself, future employers and social acquaintances) for a long time. Keep this in mind before posting content.

If an employee discloses their affiliation as an employee of the organisation, they must also state that their views do not represent those of the Authority. An employee could state *"the views in this posting do not represent the views of my employer"*. An employee should also ensure that their profile and any content posted are consistent with the professional image presented to clients and colleagues.

Employees must avoid posting comments about sensitive business-related topics, such as performance. Even if they make it clear that their views on such topics do not represent those of the Authority; comments could still damage reputation.

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If an employee is uncertain or concerned about the appropriateness of any statement or posting, they should refrain from making the communication until it is discussed with their line manager.

If an employee sees content in social media that disparages or reflects poorly on the Authority or its stakeholders, they should contact their line manager.

Respecting intellectual property and confidential information

Employees should not do anything to jeopardise confidential information and intellectual property through the use of social media.

In addition, employees should avoid misappropriating or infringing the intellectual property of companies and individuals, which can create liability for the Authority, as well as the individual author.

Employees must not use the Authority logos, brand names, slogans or other trademarks, or post any confidential or proprietary information without prior written permission.

To protect employees and the Authority against liability for copyright infringement, where appropriate, reference sources of particular information posted or uploaded and cite them accurately. If an employee has any questions about whether a particular post or upload might violate anyone's copyright or trademark, they should contact the Information Governance & Compliance Manager before making the communication.

Respecting colleagues, clients, partners and suppliers

Employees must not post anything that colleagues or clients, suppliers, vendors or other stakeholders would find offensive, including discriminatory comments, insults or obscenity.

Employees must not post anything related to colleagues or our, clients, suppliers, vendors or other stakeholders without their written permission.

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Social Media

Employees need to exercise common sense when using social media. Online conduct should not be any different to offline conduct and when posting material on social networking sites employee’s should remember that what is written is in the public domain and may be seen or used by others the employee did not intent, even if they have privacy settings, or material is posted on a closed profile or group.

Social media should never be used in a way that breaches any of the Authority’s other policies and procedures. If an internet post would breach any of our procedures in another forum, it will also breach them in an online forum. For example, employees are prohibited from using social media to:

- Breach acceptable use of communications systems, information systems and internet systems policies and procedures
- Breach any obligations with respect to the rules of relevant regulatory bodies;
- Breach any obligations they may have relating to:
 - Confidentiality
 - Breach disciplinary rules
 - Defame or disparage the organisation or clients, business partners, suppliers, vendors or other stakeholders
 - Harass or bully other employees in any way
 - Unlawfully discriminate against other employees or third parties OR breach our Equality and Diversity policy
 - Breach Data protection policy (for example, never disclose personal information about a colleague online)
 - Breach any other laws or ethical standards (for example, never use social media in a false or misleading way, such as by claiming to be someone other than themselves or by making misleading statements).

Employees should never provide references for other individuals on social or professional networking sites, as such references, positive and negative, can be

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attributed to the Authority and create legal liability for both the author of the reference and the Authority.

Using the Authority’s insignia to promote an individual person or external organisation without approval is prohibited.

Cyber Bullying

ACAS define Cyber Bullying as “any use of information and communications technology to support deliberate and hostile attempts to hurt, upset or embarrass another person” and cite examples of Cyber Bullying that might include the following actions:

- Offensive emails – sending offensive e-mails to a colleague – even if this is meant as a joke – and continuing to send similar messages having already being asked to stop
- Email threats – this might also include ostensibly relatively inoffensive messages in terms of actual content where it is the implied meaning behind the message that constitutes a form of bullying. An example might be where a superior is using email to bombard an employee with more work than they can handle, whilst other members of the team are not being treated the same way
- Posting blogs and leaving comments on social networking sites – it may be that a person does not experience any direct form of cyber-bullying, being unaware that the bully is posting offensive messages about them on sites in the public domain
- Propagating defamatory gossip about employees on social networking sites
- Threats or offensive comments sent to a person’s mobile phone via SMS text messages
- Harassment by email – sending persistent emails to a person when previous email approaches have been rejected
- Sharing a person’s private data online - posting personal details – i.e. those which they would not normally want to share with complete strangers, such

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as home address and phone numbers – in such a way that they become available to the general public

It should be noted that when an allegation is made that bullying / harassment or cyber-bullying has taken place or where these instructions and guidelines are breached an investigation will take place and action will be taken under the Bullying and Harassment and / or the Discipline procedures, whether the action has taken place in an employee’s personal time or in their working time.

Employees who breach any of the above policies or procedures will be subject to disciplinary action up to and including termination of employment.

Draft for approval

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ID No.	RE: Section	Feedback	Feedback from	HR Response
1.	General	Grammatical changes	Various	Amendments made
2.	General	Should the Code of Conduct be a 'procedure' or 'Code'	HR	Reference amended to 'Code'
3.	Section 1.0 Introduction	<p>(1) 'The Authority will aim to' – suggest remove as it is discretionary and not directive</p> <p>(2) 2nd bullet point – replace 'community' with 'communities it serves'</p> <p>(3) At 'underpinning everything paragraph... Underpinning everything the Authority does is a set of values which is aspirational we expect for all employees to adhere to where they engage with others; be it with the public, partner agencies or colleagues. These values will be reflected in every aspect of our work and will be reflected and adjusted as directed by throughout the employment related policy themes and will be utilised as corporate and public safety plans. are developed and implemented.</p> <p>(4) Next paragraph... All Eemployees at all levels are required a ...</p>	Group Commander	(1 - 4) Noted. Not amended; in line with the Authority's Vision & Values policy statement
4.	Section 1.0 Introduction	<p>The public is entitled and demands to expect the highest standard of conduct from all employees of the Authority. This procedure is intended to provides information for employees on the minimum standards that are expected by the Authority. All employees are expected to follow the spirit of the Code.</p> <p>This paragraph needs to be strengthened having 'minimum' and 'sprit' does not dictate the importance of having values and behaviours (I agree they can't be prescriptive)</p>	Group Commander	<p>'demands' not added. 'Intended' removed.</p> <p>'Spirit' sentence removed</p>

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5.	Section 2.0 Scope	<p>(1) The procedure set out in this document applies to all employees of the Authority, regardless of contract including part-time, fixed-term, temporary, casual, secondees, consultants and agency staff. The use of employees throughout the Code of Conduct should be taken to include all of the above.</p> <p>(2) Two Additional Codes of Conduct are applicable for ..</p>	Group Commander	Amendment made
6.	Section 3.0 Working within the Code of Conduct	Combine the paragraphs starting with 'Employees should, at all times..' and 'Should an employee have any concerns...'	Group Commander	Noted. Not amended
7.	Section 3.0 Working within the Code of Conduct	<p>(1) The Authority has published policies, procedures and financial regulations, which describe important rules and standards, and all employees, are expected required to work in accordance with these documents.</p> <p>(2) Copies of these documents are available via line managers, on the intranet or the Information Governance & Compliance Manager. ... Is this required?</p> <p>(3) The Authority will undertake to apply ... The Authority should comply otherwise its optional and doesn't provide consistency</p> <p>(4) (last paragraph) .. Examples of gross misconduct can be found in the Discipline procedure. ... May be subject to criminal proceedings?</p>	Group Commander	<p>(1) Noted. Not amended</p> <p>(2) Removed</p> <p>(3) Noted</p> <p>(4) Noted. Not amended</p>
8.	Section 11.0 Use of financial resources	Under Section 11 I would prefer to say: 'Employees must ensure they use any public funds, vehicles or equipment entrusted to them in a responsible and lawful manner. Employees must strive to ensure value for money to the local community and to avoid legal challenge to the Authority in all circumstances.'	Finance & assets	Paragraph added to section 11

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9.	<p style="text-align: center;">Financial reference</p>	<p>Where financial regulations are referred to, it would make sense to also reference financial instructions, as these will be more appropriate to most staff.</p> <p>I would combine Section 12 'Counter fraud and corruption' with Section 18 'Counter fraud and corruption'. The document should also make reference to the Counter Fraud and Corruption Policy</p> <p><i>(1) 12.0 Counter-fraud and corruption: The Fire Authority expects all members, employees, consultants, contractors, suppliers and partner organisations, to act honestly and with integrity and to safeguard the public resources for which they are responsible, and to provide any help information and support necessary to deal with fraud and corruption.</i></p> <p><i>The Authority will not tolerate any level of fraud or corruption; consequently, any case will be thoroughly investigated and dealt with appropriately. The Authority is committed to ensuring that opportunities for fraud and corruption are reduced to the lowest possible level of risk.</i></p> <p><i>Section 112 of the Local Government Finance Act 1988 ('the 1988 Act') requires the Authority to make arrangements for the proper administration of its financial affairs and shall secure that one of its officers (known as a "Chief Finance Officer" by reference to section 114 of the 1988 Act) has responsibility for the administration of those affairs.</i></p>	Finance & Assets	<p>Instruction added after financial regulations</p> <p>Section 12 removed, as detailed (1).</p> <p>Sections 12 & 18 combined with third paragraph amended to reflect what is detailed in the Counter fraud and corruption procedure</p>
10.	<p style="text-align: center;">Section 12 Counter fraud and corruption</p>	<p>The last paragraph under Section 12 Counter fraud and Corruption' seems a bit oddly placed. The Section 112 officer role is not in itself anything to do with fraud and corruption per se and is certainly not a deterrent, so I would advise to drop that paragraph.</p>	Finance & Assets	<p>Section 12 deleted and merged with section 18 and last paragraph removed.</p>

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11.	Section 14.0 Standards of dress and appearance	Facial hair & tattoos: General feedback would be for greater clarity on expectations around facial hair and tattoos which recognises and is sympathetic to the needs of a diverse workforce, whilst not compromising organisational values. This would avoid any conflict from misaligned expectations from our staff and managers in the future.	Group Commander	Section 14 amended as detailed in ID No.24
12.	Section 14.0 Standards of dress and appearance	Tattoos: We also need to consider all tattoos which are on show, not just above the collar. I am not suggesting we apply this retrospectively, however moving forward, would we be happy with someone having a new inappropriate (subjective I know) tattoo on their forearm which cannot be covered up by issued uniform?	Group Commander	Section 14 amended as detailed in ID No.24
13.	Section 14.0 Standards of dress and appearance	Tattoos: What we have determined so far is there would appear to be a small number of individuals who are in our employ who have tattoos in various locations which are on display. And even if they wore long sleeve shirts, which we don't issue to firefighters, they would still be visible. Moving forward, I do feel that we need to make it explicit within the Code of Conduct.	Group Commander	Section 14 amended as detailed in ID No.24
14.	Section 14.0 Standards of dress and appearance	Tattoos: Ink above the collar to be banned	HR	Section 14 amended as detailed in ID No.24
15.	Section 14 Standards of dress and appearance	Tattoos: It is important to acknowledge that the Authority as the employer is entitled to promote a certain image through their workforce and therefore perfectly entitled to restrict or ban visible tattoos, especially for employees engaged in community-facing roles. The recommendation is for any visible tattoos, primarily on hands, the face and above the collar to be prohibited, as would any tattoos that are considered to be discriminatory, violent or intimidating. For those staff, who in the absence of there being a previously defined	Service delivery	Section 14 amended as detailed in ID No.24

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		<p>procedure, have chosen to have what are termed visible tattoos. Then a professional discussion needs to have taken place, between the line manager and the individual concerned, in order to make clear the future expectations required of them. This may include, determining what work related activities, be it on or off service premises that perhaps require the covering of visible tattoos, to be considered, if practicable.</p> <p>For operational staff, where uniform is provided, then the discussion may involve the need for them to be issued with or have available to them, long sleeve shirts, as necessary.</p> <p>A record of the professional discussion needs to be captured on a file note, which should then be placed within the employees PRF.</p> <p>For any staff wishing to have a tattoo, it may be beneficial for them to discuss this with their respective line manager, in the first instance, in order to remove any uncertainty with regard what constitutes being a visible or unacceptable tattoo.</p>		
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Post consultation feedback from FOA and FBU following the meeting on 6 May 2015:

	06 May 2015 A Joint Consultation Meeting held with the trade unions post consultation. Trade unions requested additional time to respond to considered changes to the Code of Conduct following feedback during the consultation period. Trade Unions were given until 15 May 2015 to respond to highlighted changes made to the Code.			
ID No.	RE: Section	Feedback	Feedback from	HR Response
16.	General	Minor grammatical changes suggested	FOA & FBU	Amendments made
17.	S.3.0 Working within the code	This must stipulate that it applies when representing the Authority as an employee. A trade union representative or a member of public acting in those respective capacities should be free to comment on the functions of a public body. This includes the fire service. Of course common sense must be used and if there is any potential for misunderstanding the person making any lawful comment or criticism must make it clear that they are not speaking as a representative of BMKFA but as a trade union representative or taxpayer/member of the public. Many firefighters live in Buckinghamshire and as such have a democratic right to voice any concerns to their elected representatives and in some occasions the press. For example as a whistleblower. The FBU will greatly encourage its members to voice personal opinions via their representatives.	FBU	Noted. Not amended.
18.	Section 10.0 Political neutrality	It should re-iterate that while not representing the employer an individual is free to express their views as part of any wider democratic process. Also, trade union representatives when discussing any issues relating to the work of BMKFA are free to express their views without fear of discrimination or reprisal. OF course so long as these views are not deliberately defamatory or libellous.	FBU	Noted. Not amended.
19.	Section 14.0 Standards of dress and appearance	Tattoos: How do we decide what will cause offence or an unprofessional image	FBU	Noted. The first paragraph states 'Any tattoo considered discriminatory, violent, profanity or intimidating is prohibited.'

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20.	Section 14.0	Tattoos: Individuals will/can be accompanied by a TU rep or work colleague at the line manager and individual meeting	FBU	Noted. Not added as not appropriate
21.	Standards of dress and appearance	Tattoos: Those individuals who had tattoos previous to this policy should not be held accountable. It should only be applicable to staff who have this type of art work once the policy is in place	FBU	Noted. The Code applies to all employees
22.	Section 14.0	Tattoos: Before implementing this process there must be an agreed criteria and guidance for what is or is not suitable in terms of tattoo imagery or words. The previous paragraph recognised the importance of having a 'defined procedure' in place and yet is creating arguably more confusion around the issue than there previously was when common sense was effectively the regulator.	FBU	Refer to point 19 above
23.	Section 14.0	<p>Hair is to be worn in a smart manner ...</p> <p>Current last paragraph; Facial hair can compromise the seal of a facemask. All uniformed operational employees must be able to maintain a seal as laid out in the BA set general checks for the duration of time they are on call or on duty.</p> <p>Proposed rewording; Facial hair can compromise the seal of a facemask. All uniformed operational employees must be able to maintain a seal, as laid out in the relevant BA documents, for the duration of time they are on call or on duty and are prohibited from wearing beards of any description (including "goatee" style). Individuals must be clean shaven around the seal area, moustaches and sideburns shall be maintained in a neatly trimmed manner, sideburns shall not protrude past the ear lobe of the ear or in any way effect the wearing of a breathing apparatus set which could be construed as introducing an avoidable risk to the safety of B.A. wearers.</p> <p>Reason: This is an amalgamation of wording captured within other policies, procedures and notes, and removes any grounds for doubt/challenge on what our position is on this subject, without being unreasonable in our expectations.</p>	FOA	<p>Section 14 'Hair' amended to state: Hair is to be worn in a smart and professional manner, hairstyles such as a Mohican is not acceptable.</p> <p>Facial hair reference is noted, however the section is not amended as the Code states the importance of hair not affecting the seal of the facemask.</p>

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24.	Standards of dress and appearance	<p><i>Proposed amendments to section 15:</i></p> <p>(1) Tattoos Employees are asked to consider the requirements of the workplace when choosing the placement and style of new tattoos. <i>Any tattoo considered discriminatory, violent, profanity or intimidating is prohibited.</i></p> <p><i>For those employees engaged in community facing roles, the Authority prohibits visible tattoos, primarily on hands, face and above the collar line.</i></p> <p><i>For those employees in non community facing roles, where tattoos are visible, these should be discrete and in keeping with the professional image of the Authority.</i></p> <p>Employees may be requested to cover tattoos, <i>for example by wearing long sleeved shirts in a public setting</i> where there is likelihood that they may cause offence or project an unprofessional image.</p> <p><i>For those employees, who in the absence of there being a previously defined procedure, have chosen to have what are termed visible tattoos, a professional discussion between the line manager and the individual concerned should take place, in order to make clear the future expectations required of them. This may include determining what work related activities, be it on or off Authority premises, that require the covering of visible tattoos where practicable.</i></p> <p><i>For employees considering a new tattoo, it is recommended for them to speak with their line manager in the first instance, to remove any uncertainty with regards to what constitutes being a visible or unacceptable tattoo. The line manager must determine the suitability of the tattoo being proposed and that it will comply with the professional image of the Service.</i></p> <p><i>An employee, who chooses to get a tattoo that the Authority deems as unacceptable, may be requested to get the tattoo removed at the employee's expense if it is not practicable for the tattoo to be covered up.</i></p> <p>Line managers should ensure that employees under their supervision adhere to</p>		
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Tattoo section amended to reflect feedback as detailed (1)

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		the standards of dress and will be responsible for identifying cases that do not meet with this Code and for taking appropriate action to resolve such matters, which may include discipline action up to and including dismissal.		
25.	Section 16.0 disclosure of information	This whole section needs to be clearer particularly about what constitutes 'confidential information'. BMKFA is a public body and should be open and transparent with all its information. It should be the exception where information is deemed to be confidential and should not be put into the public domain, and only if there is not an overriding public interest which would support the release of information. If the Authority is threatening dismissal for release of confidential information it has a great responsibility to ensure that employees are fully aware of what constitutes confidential information. This is currently very vague. Any info that can be sourced via a freedom of info request cannot be deemed confidential. So what info would the Authority legally withhold from the public?	FBU	Noted. Not amended. There are various categories of information that are exempt from public disclosure. It emphasis in the Code it is on improper or unauthorised use of Authority information, in the same was as improper or unauthorised use of any Authority asset.
26.	Section 16.0 Disclosure of information	<p><i>(3rd paragraph)</i></p> <p>It is expected that some employees will have contact with the media when appropriate to their role, e.g. information about operational incidents, proactive use of the media to support community safety activities, or other work related activities. It is imperative that no personal or personal sensitive information is shared with the media or any information that, together with other information likely to be or come into their possession, could lead to the identification of an individual without the individual's consent.</p> <p>Making Unauthorised or improper use of confidential Authority information is a serious offence, and will be dealt with in accordance with the Discipline procedure, which may include action up to and including dismissal.</p> <p>Employee's privity to confidential information on tenders or costs for either internal or external contractors should not disclose that information to any unauthorised party or organisation, including any other potential bidder whether internal or external.</p>	Legal & Governance	<p>Amendments made.</p> <p>This is in response to the feedback from the FBU on this matter.</p>

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27.	Section 18.0 Whistleblowing	<p>Employees have a legal right and duty to report any concerns if they have reasonable belief that wrongdoing may be occurring, or may have occurred within the Authority and should not be deterred by the fear of any disciplinary action.</p> <p>(1) Whistleblowing A structured mechanism is available for employees to raise any serious concerns about any aspect of the Authority's work without the risk of subsequent detriment or disadvantage and staff are encouraged to raise serious concerns within the Authority initially, rather than overlooking a problem or blowing the whistle outside.</p> <p>The Public Interest Disclosure Act 1998 protects employees/workers from reprisal, victimisation or harassment at work if they raise a concern in good faith.</p> <p>The Authority will take seriously any concerns raised that are subsequently proven to have been made maliciously. Any employee/worker, who is found to have acted maliciously, may be subject to the Discipline procedure. If, however, an employee/worker raises a concern in good faith that is not later confirmed by investigations, no action will be taken against that employee/worker.</p> <p>This is in addition to the Authority's Complaints and Grievance procedures and does not form part of the Discipline procedure, however disciplinary action may result from the application of the Whistleblowing procedure.</p>	FBU	Whistleblowing section amended to reflect what is said in the procedure , as detailed (1)
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