

BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY
BUCKINGHAMSHIRE FIRE AND RESCUE SERVICE

Director of Legal & Governance, Graham Britten
Buckinghamshire Fire & Rescue Service
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Chief Fire Officer and Chief Executive

Jason Thelwell

To: The Members of the Overview and Audit Committee

23 November 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 2 December 2015 at 10.00 am** when the business set out overleaf will be transacted.

Yours faithfully

Graham Britten
Director of Legal and Governance

Chairman: Councillor Watson

Councillors: Bendyshe-Brown, Clarke OBE, Exon, Glover, Huxley, Mallen, Vigor-Hedderly 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
5. To consider and make recommendations to the Authority on the Annual Treasury Management Strategy.

Audit

1. To determine the internal and external audit plans and the Internal Audit Strategy
2. To determine the Internal Audit Annual Plan and Annual Report (including a summary of internal audit activity and the level of assurance it can give over the Authority's governance arrangements).
3. To consider and make recommendations on action plans arising from internal and external audit reports, including arrangements to ensure that processes which deliver value for money are maintained and developed.
4. To consider and make recommendations to the Executive Committee on reports dealing with the management and performance of the providers of internal audit services.
5. To consider and make recommendations on the external auditor's Annual Audit Letter and Action Plan, relevant reports and the report to those charged with governance.
6. To consider specific reports as agreed with the Treasurer, Internal Audit, Monitoring Officer, Chief Fire Officer, or external audit and to make decisions as appropriate.
7. To comment on the scope and depth of external audit work and to ensure it gives value for money.
8. To oversee investigations arising out of fraud and corruption allegations.
9. To determine Insurance matters not delegated to officers, or another committee.

10. To consider and determine as appropriate such other matters as are required in legislation or guidance to be within the proper remit of this Committee.

Governance

1. To:
 - (a) make recommendations to the Authority in respect of:
 - (i) variations to Financial Regulations; and
 - (ii) variations to Contract Standing Orders.
 - (b) receive a report from the Chief Finance Officer/Treasurer when there has been any variation to the Financial Instructions in the preceding twelve month period.
2. To determine the following issues:
 - (a) the Authority's Anti-Money Laundering Policy;
 - (b) the Authority's Whistleblowing Policy; and
 - (c) the Authority's Anti Fraud and Corruption Policy.
3. To determine the Statement of Accounts and the Authority's Annual Governance Statement. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Authority.
4. To consider the Authority's arrangements for corporate governance and make recommendations to ensure compliance with best practice.
5. To monitor the Authority's compliance with its own and other published standards and controls.
6. To maintain and promote high standards of conduct by the Members and co-opted members of the Authority.
7. To assist Members and co-opted members of the Authority to observe the Authority's Code of Conduct.
8. To advise the Authority on the adoption or revision of a code of conduct.
9. To monitor the operation of the Authority's Code of Conduct
10. To deal with cases referred by the Monitoring Officer.
11. To advise on training, or arranging to train Members and co-opted members of the Authority on matters relating to the Authority's Code of Conduct.
12. To monitor the operation of any registers of interest, of disclosures of interests and disclosures of gifts and hospitality in respect of officers or Members

Risk

1. To monitor the effective development and operation of risk management and corporate governance within the Authority.
2. To consider reports dealing with the management of risk across the organisation, identifying the key risks facing the Authority and seeking assurance of appropriate management action.

Employees

1. To be a sounding board to help the Authority promote and maintain high standards of conduct by employees of the Authority.
2. To advise the Executive Committee on the adoption or revision of any policies, codes or guidance:
 - (a) regulating working relationships between members and co-opted members of the Authority and the employees of the Authority;
 - (b) governing the conduct of employees of the Authority; or
 - (c) relating to complaints; andother such policies and procedures as are required from time to time.
3. To monitor the operation of any such policies, codes or guidance mentioned at 2 above.
4. To comment on the training arrangements in connection with any of the above.

General

1. To make such other recommendations to the Executive Committee on the issues within the remit of the Overview and Audit Committee as required.
2. To review any issue referred to it by the Chief Fire Officer, Treasurer, or Monitoring Officer, or any Authority body within the remit of these terms of reference.
3. To consider such other matters as are required in legislation or guidance to be within the proper remit of this Committee.
4. To commission reports from the Chief Fire Officer, the Internal Audit Service, the Monitoring Officer, or such other officer as is appropriate, when the Committee agrees that such reports are necessary.
5. To support the Monitoring Officer and the Treasurer in their statutory roles and in the issue of any guidance by them.
6. To receiving reports from the Monitoring Officer in his/her statutory role or otherwise relating to ethical standards and deciding action as appropriate.
7. To respond to consultation on probity and the ethical standards of public authorities.

AGENDA

Item No:

1. Apologies

2. Minutes

To approve, and sign as a correct record, the Minutes of the meeting of the Committee held on 23 September 2015 (Item 2) **(Pages 7 - 14)**

3. 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.

4. Questions

To receive questions in accordance with Standing Order S0A7.

5. Corporate Risk Management

To consider Item 5 **(Pages 15 - 28)**

6. Internal Audit Reports:

(a) Internal Audit Report: Final Audit Reports

To consider Item 6(a) **(Pages 29 - 46)**

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

To consider Item 6(b) **(Pages 47 - 50)**

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

To consider Item 6(c) **(Pages 51 - 54)**

7. Treasury Management Performance 2015/16 - Quarter 2

To consider Item 7 **(Pages 55 - 62)**

8. Treasury Management Strategy 2016/17

To consider Item 8 **(Pages 63 - 76)**

9. Business and Systems Integration Project: Progress Report

To consider Item 9 **(Pages 77 - 94)**

10. KIS Strategy 2014-2019 Review & Progress Report

To consider Item 10 **(Pages 95 - 134)**

11. Date of Next Meeting

To note that the next meeting of the Committee will be held on Wednesday 9 March 2016 at 10.00am.

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 23 September 2015 at 10.00 am

Present: Councillors Bendyshe-Brown, Exon, Glover, Huxley, Mallen, Vigor-Hedderly, Watson (Chairman) and Wilson

Officers: M Osborne (Deputy Chief Fire Officer), G Britten (Director of Legal and Governance), D Sutherland (Acting Director of Finance and Assets), M Hemming (Deputy Finance Director), M Gibb (Internal Audit Manager), B Davidson (Internal Audit), G Barry (Information Governance and Compliance Manager), K McCafferty (Head of Human Resources), S Gowanlock (Corporate Planning Manager), M Grindley (External Auditor EY) D Guest (External Auditor EY) and Katie Nellist (Democratic Services Officer)

Apologies: Councillor Clarke OBE

0A14 MINUTES

RESOLVED –

That the Minutes of the meeting of the Overview and Audit Committee held on 15 July 2015, be approved and signed by the Chairman as a correct record.

0A15 CORPORATE RISK MANAGEMENT

The Corporate Planning Manager advised Members that the Corporate Risk Register was last reviewed by the Overview and Audit Committee on 15 July 2015, when it approved the removal of the Information Security risk from the Corporate Risk Register to the Legal and Governance Directorate Risk Register, given the reduction in the risk assessment to green RAG status.

The Risk Register was regularly reviewed by the Performance Management Board (PMB) 20 August 2015 and the Strategic Management Board (SMB) 1 September 2015 and at the 1 September 2015 SMB it was agreed that the Control Room risk score would be reduced following the successful implementation and testing of the business continuity arrangements.

A discussion had been held at SMB regarding the funding and savings risk and it had been decided not to reduce the risk score, pending clarification of the outcome of the Government's autumn spending review.

The overall distribution of corporate risk was shown at Annex A. Although the risk of industrial action had receded, it was decided it was better to be cautious and leave 'staff availability' as it was, as there were still other risks to consider i.e. pandemic flu.

The 'ageing workforce' risk which had been elevated back in March 2015 was pending the outcome of some of the new initiatives in place to mitigate that risk i.e. the new apprenticeship scheme.

There were no new risks identified and Internal Audit had been reviewing the directorate risk registers to provide an additional level of assurance.

A question was asked regarding staff availability and the latest position on industrial action regarding the pension dispute between the Fire Brigades Union (FBU) and the Government. There had been no industrial action called recently but there was now a legal challenge being mounted by the FBU in respect of the transitional arrangements. It was difficult to gauge how matters would progress but the mandate was still in place. Therefore, from the Authority's planning perspective, it was only seven days away from potential strike action. The general feeling was that the legal route was being pursued in lieu of any pending strike action, but the position was being closely monitored.

A question was asked regarding how the Authority managed risk for new organisational changes i.e. Milton Keynes project. It was advised that a risk log was created as part of the Programme Management Board for any large projects or proposals.

RESOLVED –

1. That the status report on identified corporate risk at Annex C be reviewed.

OA16

COMPLIMENTS, COMPLAINTS & CONCERNS

The Information Governance and Compliance Manager introduced the report and advised Members that it had two purposes. The first was to introduce a suite of documents which replaced the existing procedures and managed the handling of compliments, concerns and complaints based on current best practice and advice from the office of the Local Government Ombudsman.

The second was to advise on any trends and corrective action taken to reduce or remove the problem that led to a complaint being made and to identify opportunities to improve public perception of the services of Buckinghamshire and Milton Keynes Fire Authority.

An officer from the Local Government Ombudsman (LGO) had run a training course for Station Managers and Investigating Officers at the beginning of the year and had made some recommendations that the Authority had taken on board. One was to ensure a statement of complaint clarified from the beginning what the complaint was actually about, this would help keep the procedure as short as possible. It was also advised to have an unreasonably persistent complainant procedure in place.

The actual number of complaints had reduced from previous years and the number of complaints being upheld had also gone down. This meant the quality of investigation was good as nothing was getting referred to the local Ombudsman.

A question was asked as to what the Authority did to encourage complaints. Members were advised it was clearly visible on the website how to make a complaint and at incidents; the officer in charge would refer members of the public back to it.

Whilst the LGO representative had been content with the procedures in place for dealing with complaints, it was agreed, at the request of Members, that officers would investigate the option of potentially assembling a panel of Members to hear complaints in exceptional circumstances for Members to consider in the next annual report.

Members asked that an analysis of written compliments be added into the next annual report.

RESOLVED –

1. That the document suite be approved.
2. That the report be noted.

0A17

INTERNAL AUDIT REPORTS

(A) Internal Audit Report: Final Audit Report

The Internal Audit Manager outlined the findings and recommendations of the Knowledge and Information Systems (KIS) finalised audit report. The report had been given a 'reasonable' level of assurance, that relevant risks were effectively identified, managed and controlled.

There was one high and one medium priority recommendation, both had been agreed by management and were due for implementation next month. Both would be followed up and reported back at the next meeting.

The Chairman asked that future final audit reports showed more specific findings.

RESOLVED –

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

(B) Internal Audit Report: Update of Progress of the Annual Audit Plan

The Internal Auditor advised that the purpose of the report was to update Members on the progress of the internal audit annual plan; work was progressing on the 2015/16 plan and following discussions with the Acting Director of Finance and Assets the

first three audits were at a planning stage (Asset Management, Pensions Administration and Core Financial Controls).

A question was asked as to whether all audit recommendations were followed up and Members were assured that they were.

A question was asked as to whether the Authority provided sufficient resources for Internal Audit to perform the tasks they needed to perform. Members were assured that the External Auditors would always look to see that there were mechanisms in place for the Authority to get its level of 'assurance' and would raise it with the Authority if necessary.

RESOLVED –

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

(The Internal Audit Manager left the meeting)

OA18

AUDIT RESULTS REPORT

The Committee considered the Audit Results report which summarised the findings from the 2014/15 audit.

The External Auditor advised Members that the Audit had been finalised over the last month and there were some aspects that had been updated since the report was produced. The External Auditor confirmed that an unqualified audit opinion on the financial statements would be issued today, along with the Whole of Government Accounts. Once submitted the Audit Certificate on completion of the Audit would also be issued.

The External Auditor thanked officers for a very smooth and open process.

Having raised "risk of management override" as a significant audit risk in the Audit Plan, the External Auditors were able to report there were no issues.

The External Auditor explained to Members that GAD v Milne was a national issue which was affecting all fire and rescue authorities. It would not impact on the bottom line of the accounts and they were working with management to determine the final accounting treatment.

Members were pleased to see that the Audit had been signed off early.

A question was asked as to whether the previous issue of the injury awards had been dealt with. Members were advised that there had been a new Fire Minister and the issue was still unresolved, but the Authority was well prepared and would be able to meet its obligations when required.

RESOLVED –

That the contents of the report are noted.

OA19

ADOPTION OF THE AUDITED STATEMENT OF ACCOUNTS

The Acting Director of Finance and Assets was pleased to be bringing to Members today the adoption of the Audited Statement of Accounts, as this was a big improvement on the position the Authority was in last year.

As previously mentioned, there was only one minor amendment concerning the GAD v Milne case. The Deputy Director advised Members that it was a purely technical disclosure and had no effect on any of the figures presented, but was an amendment to page 74 'Events after the Balance Sheet Date'.

Events after the Balance Sheet Date showed no events that required additional disclosure in the statements, but now there was an issue to disclose and this was the standard wording that had been agreed with the External Auditors, that would be used by all fire authorities to disclose the impact of GAD v Milne. This would be covered by HM Treasury, so there would be no impact on the Authority's level of reserves and expenditure.

The Acting Director of Finance and Assets supported by the External Auditors confirmed to Members that the impact of GAD v Milne would be funded by central Government.

(Councillor Wilson left the meeting)

RESOLVED –

That the Statement of Accounts for the financial year ended 31 March 2015, with the inclusion of the following text inserted at Note 30 on page 74, be signed by the Chairman of this Committee:

"In May 2015, the Pensions Ombudsman (Ombudsman) published their Final Determination in the case of Milne v Government Actuaries Department (GAD). This case centred on whether GAD had a proactive responsibility to review the commutation factors used in the calculation of the lump sum payments made to pensioners when they opt to take an increased amount of their pension benefit in that form.

The Ombudsman found in favour of the plaintiff, which meant that for all Firefighters Pension Scheme 1992 cases where pension entitlements were drawn between 1 December 2001 and 22 August 2006 recalculation of lump sum payments should take place based upon revised commutation factors to be issued by GAD. Payment of any additional amounts identified as due should be made with simple interest calculations as well.

We are currently working through the revised calculations and expect to make the necessary payments by 31 March 2016. There has therefore been no impact on the financial statements for 2014/15".

OA20 LETTER OF MANAGEMENT REPRESENTATION

The Committee considered the Letter of Management Representation to Ernst & Young to be signed by the Chief Finance Officer and the Chairman of the Committee in order for the audit opinion and conclusion to be issued.

RESOLVED –

That the Letter of Representation for the Authority be signed by the Chief Finance Officer and the Chairman of the Committee.

OA21 COUNTER FRAUD AND CORRUPTION POLICY

The Committee considered the Counter Fraud and Corruption Policy which was part of a triennial review. This framework sets out the Authority's determination to ensure a 'zero-tolerance' towards corruption and to provide robust counter fraud and corruption procedures.

There had only been a few minor changes to the policy to update job titles and links to updated policies.

RESOLVED –

That the revised Counter-Fraud and Corruption Policy be approved.

OA22 ANTI MONEY LAUNDERING POLICY

The Committee considered the Anti Money Laundering Policy which was part of a triennial review. The Money Laundering Regulations 2007 require the Money Laundering Reporting Officer to take appropriate measures to ensure that all relevant employees were made aware of the law in this area and understand how to recognise and deal with potential instances of money laundering or terrorist financing.

RESOLVED –

That the Anti-Money Laundering Policy be approved.

OA23 DATE OF NEXT MEETING

The Committee noted that the next meeting of the Committee would take place on Wednesday 2 December 2015 at 10.00am.

THE CHAIRMAN CLOSED THE MEETING AT 11.04 AM

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Buckinghamshire & Milton Keynes Fire Authority

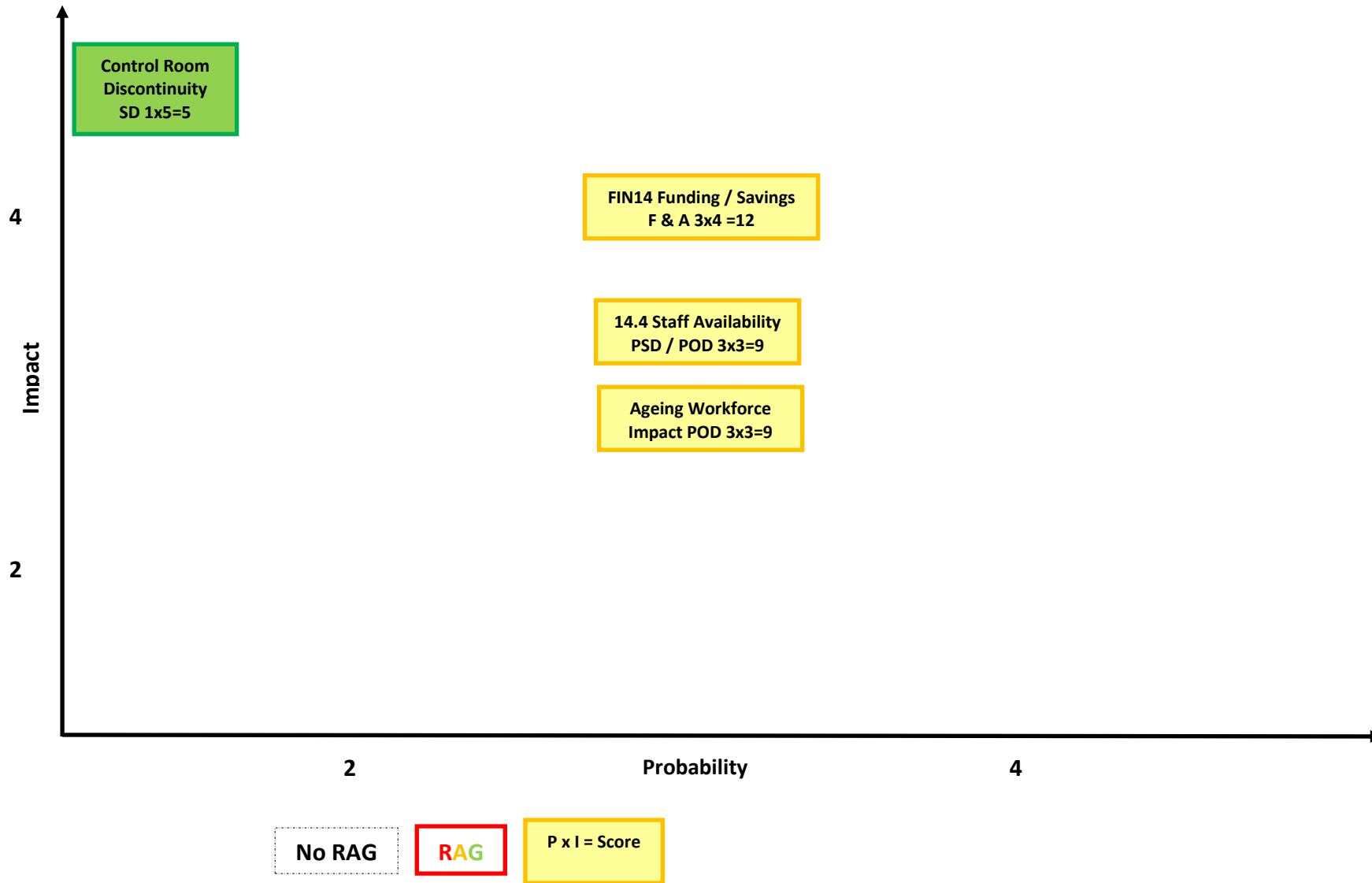
MEETING	Overview and Audit Committee
DATE OF MEETING	2 December 2015
OFFICER	Julian Parsons, Head of Service Development
LEAD MEMBER	Councillor David Schofield, Health and Safety and Corporate Risk
SUBJECT OF THE REPORT	Corporate Risk Management
EXECUTIVE SUMMARY	<p>This report provides an update on 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 on 23 September 2015, at which the outcome of the review of the Control Room risk requested by the Committee was presented, resulting in a reduction in the risk score to five (green RAG status). However it was agreed to leave this risk on the Corporate Risk Register for the time being to maintain visibility of this critical function.</p> <p>Since then the Risk Register has been regularly reviewed by the Performance Management (PMB) and Strategic Management Boards (SMB), most recently at the 22 October 2015 PMB and 10 November 2015 SMB. No new risks were identified or escalated from Directorate Risk Registers at these meetings and the current risk scores and assessments were considered to still be appropriate albeit that the risk consequences and treatments for the Funding and Savings risk were updated to reflect the latest MFTP projections.</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 year are shown at Annex B.</p> <p>Detailed assessments of identified corporate risks are shown in the Corporate Risk Register Report at Annex C.</p>

ACTION	Decision.
RECOMMENDATIONS	It is recommended that Committee members: <ol style="list-style-type: none"> 1. Review the status report on identified corporate risks at Annex C; and, 2. Feedback comments to officers for consideration and attention in future updates/reports.
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.
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	The potential to share corporate risk intelligence with neighbouring FRS and other relevant agencies will be considered. BMKFA already participates in the multi-agency Thames Valley Local Resilience Forum which produces a Community Risk Register which is among the sources used to identify potential risks to the Authority.
HEALTH AND SAFETY	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.
EQUALITY AND DIVERSITY	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.
USE OF RESOURCES	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>Senior managers and principal officers are key stakeholders in the development of the 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>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>Further development of this policy and framework was reported to members at the 15 September 2010 CFA meeting (see Annex A and item 8 of 15 September CFA Papers:</p> <p>http://bucksfire.gov.uk/files/8114/0681/3588/150910.PDF</p> <p>An updated Corporate Risk Management Policy was approved at the 18th March 2015 Executive Committee:</p> <p>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 23 September 2015 Overview & Audit Committee:</p> <p>http://bucksfire.gov.uk/files/6814/4222/8910/ITEM 5 Corporate Risk Management Annexes.pdf</p>
<p>APPENDICES</p>	<ol style="list-style-type: none"> 1. Annex A: Distribution of Corporate Risks at 2 November 2015. 2. Annex B: 12 Month View of Changes to Corporate Risks 3. Annex C: Corporate Risk Register Report
<p>TIME REQUIRED</p>	<p>15 Minutes.</p>
<p>REPORT ORIGINATOR AND CONTACT</p>	<p>Stuart Gowanlock, Corporate Planning Manager sgowanlock@bucksfire.gov.uk 01296 744435</p>

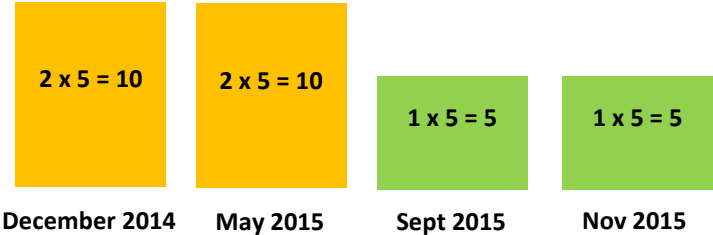
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Annex A: Corporate Risk Map – 10 November 2015

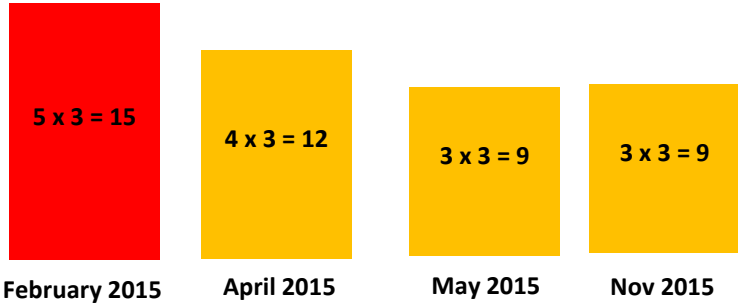


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Thames Valley Control



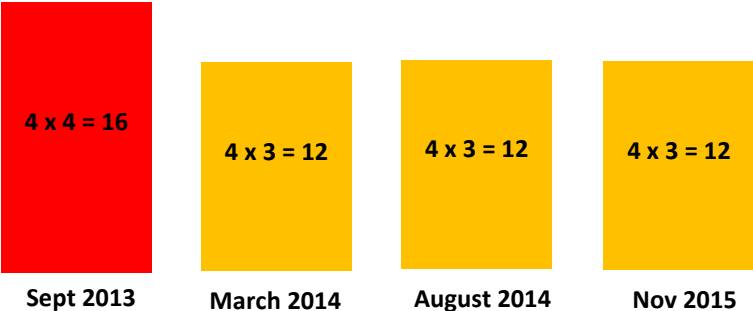
Staff Availability



Ageing Workforce Impact



Risk to Funding



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Corporate Risk Register – as at 10 November 2015

Corporate Risks

Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	R A G	Comments / Further Treatment Proposed
			P	I	Σ	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>2 September 14 SMB Probability score for further industrial action raised to 5 (Extremely Likely).</p> <p>13 January 15 SMB Probability score reduced to 4 (Very Likely)</p> <p>17 February 15 SMB 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>14 April 15 SMB Probability reduced to 4.</p> <p>21 May 15 PMB 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>16 June 15 SMB PMB recommendation to reduce risk score approved.</p> <p>11 August 15 SMB & 20 August PMB Agreed that risk score should remain at 9 as although the risk of industrial action over the pension dispute has receded staff availability is affected by other contingencies such as Pandemic Flu (WHO currently predicting an outbreak within the next 18 – 24 months.)</p> <p>1 September 2015 SMB PMB risk review confirmed.</p>
		(5)	(5)	(25)	(H)				
		(3)	(5)	(15)	(H)				
		(4)	(5)	(20)	(H)				
		(3)	(5)	(15)	(H)				
		Failure to discharge statutory duties.	(5)	(4)	(20)	(H)			
		(4)	(3)	(12)	(M)				
		(5)	(3)	(15)	(H)				
		Loss of critical knowledge / skills / capacity.	(4)	(3)	(12)	(M)			
		(5)	(3)	(15)	(H)				
3	3	9	M						

Corporate Risk Register – as at 10 November 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	HML			
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 £2.4 million by the end of 2019/20	(4)	(4)	(16)	H	Proactive management of the MTFP is in force which includes a re-alignment of existing balances to free up MRP and a risk assessed level of general fund reserve. Together with continued contingency funding and active workforce planning, linked to the MTFP, the saving requirement can be confidently managed in the period up to 2019/20.	A	<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> <p>11 August 2015 SMB Agreed that a revised MTFP would be taken to the Executive Committee in November.</p> <p>1 September 2015 SMB Funding risk score to remain as is pending outcome of Autumn Budget and spending review.</p> <p>10 November 2015 SMB Risk Consequences and Treatments updated to reflect current MTFP projections.</p>
			(3)	(4)	(12)	M			
			3	4	12	M			

Corporate Risk Register – as at 10 November 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 (Control Room continuity of service following delay to Thames Valley Control implementation)	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 	G	<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> <p><u>11 August 2015 SMB</u></p> <p>Amend risk description to incorporate its previous title, 'Control Room continuity of service following delay to Thames Valley Control implementation' in brackets, for reasons of clarity.</p> <p><u>1 September 2015 SMB</u></p> <p>Risk factor to be reduced from 2 x 5 to 1 x 5 following successful implementation of the new service and the completion of business continuity plans that have been successfully tested. The software provider has resolved initial issues with the mobilising system and ways of working are now embedded within the new control room.</p>
			1	5	5	L			

Corporate Risk Register – as at 10 November 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				
			3	3	9	M			
<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.</p>	<p>Director of POD</p>	<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 effective use of salary spend, and would increase management time spent managing attendance. A potential increase in ill health retirements would negatively impact on the Service budget 					<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 	<p>A</p>	<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> An initial score of 3 x 3 = 9 recommended for this newly defined risk.</p> <p><u>16 June 15 SMB</u> Risk approved for inclusion in Corporate Risk Register.</p> <p><u>1 September 2015 SMB</u> Risk score considered to be at right level at present but will a reduction will be considered once the new apprenticeship schemes are in place and up and running.</p>

Corporate Risk Register – as at 10 November 2015

		<ul style="list-style-type: none"> 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. 							
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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	2 December 2015
OFFICER	Maggie Gibb, Audit Manager David Sutherland, Director of Finance and Assets
LEAD MEMBER	Councillor David Watson
SUBJECT OF THE REPORT	Internal Audit Report: Final Audit Reports
EXECUTIVE SUMMARY	<p>The purpose of this paper is to update the Overview and Audit Committee on the findings of the finalised Internal Audit reports issued since the last Overview and Audit Committee meeting.</p> <p>One report, Asset Management System, has been issued since the last meeting and has been agreed with management. The report is attached in full for information.</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>
ACTION	Information.
RECOMMENDATIONS	That the recommendations raised in the finalised Internal Audit report be noted.
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.
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	No direct impact.
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.

Internal Audit Report: Final Audit Reports

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	Appendix 1: Asset Management System Final Report.
TIME REQUIRED	15 minutes.
REPORT ORIGINATOR AND CONTACT	Maggie Gibb – Internal Audit Manager mgibb@buckscc.gov.uk

AUDIT AND RISK MANAGEMENT

INTERNAL AUDIT REPORT

BUCKINGHAMSHIRE & MILTON KEYNES FIRE AUTHORITY

ASSET MANAGEMENT SYSTEM 2015/16

November 2015





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Audit Control:

Closing meeting:	30 October 2015
Draft report:	2 November 2015
Management responses:	2 November 2015
Final report:	2 November 2015

Auditors:	Ian Dyson	Chief Internal Auditor
	Maggie Gibb	Audit Manager
	Betty Davidson	Senior Auditor
	Nafisah Khan	CIPFA Trainee
Report Distribution:		
Draft Report	David Sutherland	Acting Director of Finance and Assets
	Jez Finden	Fleet Manager
	Maria Darrell	Asset Management System Officer
Final Report as above plus:		
	Jason Thelwell	Chief Fire Officer
	Adrian Busby	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 limited.

1.3 The Red Kite asset management system, EMS, was procured to replace the Miquet system which was found to be ineffective. The system has been in place since 2014 and has been rolled out and training given to all fire stations with the exception of Olney, which is in the process of being brought onto the system. The system records equipment and consumables and is also used for requisitioning replacement items of stock and for reporting equipment defects.

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

- The Asset Management System Officer has an in depth knowledge of the system.
- Guidance notes for the Red Kite System are clear and comprehensive.

1.5 Some areas for improvement were identified. All High recommendations are listed below:

- The Asset Management Officer and the Asset Management Technician both have 'full' access to the system. This allows them to set up users, record and make changes to equipment records. There is a risk that unauthorised changes can be made to the system which go undetected due to the audit trail reporting functionality not being utilised.
- Access to the system requires a unique username; however, the password given to the user when they are first set up on the system is generic. The software does not prompt users to change their password on first access. There is a risk that any user could gain access using another user's log in to make unauthorised/inappropriate changes to the system.



- The contract with Red Kite was not held on site. There is a risk that staff are unaware of the agreed specification for the system, the system is not delivering what has been agreed and ineffective contract monitoring.
- There is a list of standard reports that are obtainable from the Red Kite System. The only report to be utilised is the stock report which was run in September 2014; this was found to contain inaccuracies. If management reports are not reviewed regularly there is a risk that inaccuracies in the system are not corrected and financial information held within the system is not monitored.



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 the Asset Management System.

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

Business Objective	Risk	Findings		
		High	Medium	Low
Governance and system security	Appropriate security is not provided over access to system and data allowing data to be compromise.	2	1	0
	Lack of provision for system recovery and continuity of business processes leading to a loss of data and time.	1	0	0
	Staff are unaware of their responsibilities and the required procedures for the new system leading to data on the system being incomplete/inaccurate.	0	0	0
	System support arrangements are not adequate leading to data not being updated in a timely manner.	0	0	0
Functionality and recording of assets	Assets are not identified, marked and recorded leading to risk of loss or misuse.	0	0	0
	Records are inadequate to enable identification of assets owned and determine those in use or not in use.	0	1	1
	Regular stock checks are not carried out leading to possible anomalies in records.	0	1	0
	Assets are written off/disposed of without proper authorisation.	0	0	0



Buckinghamshire and Milton Keynes Fire Authority Internal Audit Report – Asset Management System

Reporting	The system does not produce accurate and timely information to enable effective management interrogation and reporting.	1		
TOTAL		4	3	1

The detailed findings are summarised in Section 3 of this report. All findings have been discussed with the Acting Director of Finance and Assets, Fleet Manager and Asset Management System Officer who have 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 the Asset Management System formed part of the agreed audit programme for 2015/16. The review was carried out during October 2015.
- 2.2 The Asset Management System was categorised as medium 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 provide the required functionality and reporting to manage the authority's assets. 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.
- 2.3 This is the first time that an audit has been carried out on the Asset Management System since it became operational.



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 Risk Area		Governance and System Security			
1	User access provides an appropriate separation of duties within the asset management system.	<p>The Asset Management Officer and the Asset Management Technician both have 'full' access to the system. This allows them to set up users, record and make changes to equipment records.</p> <p>There is a risk of inappropriate or unauthorised changes being made on the system which go undetected due to the audit trail reporting functionality not being utilised.</p>	High	<i>Roles will be reviewed and consideration will be given to passing system administrator responsibilities to IT or requesting Red Kite to look at the possibility of splitting roles. An independent review of the audit trail report will be undertaken on a quarterly basis.</i>	<p>Who to be actioned by: Fleet Manager</p> <p>When to be actioned by: 31 December 2015</p>



	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
2	System access requires a unique user name and is password protected.	<p>Access to the system requires a unique username; however, the password given to the user when they are first set up on the system is generic. The software does not prompt users to change their password on first access.</p> <p>There is a risk that any user could gain access using another user's log in to make unauthorised/inappropriate changes to the system.</p>	High	<i>The Asset Management System Officer will request that Red Kite implement the 'change password' prompt on first use.</i>	<p>Who to be actioned by: Asset Management System Officer</p> <p>When to be actioned by: 31 December 2015</p>
3	Access to the Red Kite system is removed/disabled for leavers.	<p>The access for a sample of staff that have left the Fire Authority since April 2015 was checked against the Red Kite system to ensure that their access had been disabled. It was found that two of the leavers were still on the system.</p> <p>There is a risk of inappropriate or unauthorised changes being made on the system.</p> <p>It was also found that leavers are deleted from the system rather than having their access disabled.</p> <p>This leaves an incomplete audit trail on the system and would make it difficult for a reviewer to identify changes made by the user.</p>	Medium	<i>The possibility of disabling leavers rather than deleting them will be investigated and actioned.</i>	<p>Who to be actioned by: Asset Management System Officer</p> <p>When to be actioned by: 31 December 2015</p>



	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
4	The contract with Red Kite includes an agreed time frame for the system to be reinstated in the event of system failure.	<p>The contract with Red Kite was not held on site.</p> <p>There is a risk that staff are unaware of the agreed specification for the system, the system is not delivering what has been agreed and ineffective contract monitoring.</p>	High	<i>Red Kite were unable to provide a copy of the contract. Management will check whether Legal/IT have a copy.</i>	<p>Who to be actioned by: Asset Management System Officer</p> <p>When to be actioned by: 31 December 2015</p>
Key Risk Area		Functionality and Recording of Assets			
5	All assets are bar coded and matched to the Red Kite system.	<p>A sample of ten purchase orders for assets and ten assets were tested to ensure that the assets were recorded on the Red Kite system and the bar code on the system matched that on the asset. Although the assets were recorded and the bar codes matched, the purchase order number for the asset was not recorded on the Red Kite system.</p> <p>Where there is more than one of the same item there is a risk that the location of each individual item cannot easily be found or the item matched to the invoice potentially leading to inaccurate management information.</p>	Low	<i>The Asset Management Officer has already been in touch with Red Kite regarding this. They will include a section for the purchase order number against assets.</i>	<p>Who to be actioned by: Asset Management System Officer</p> <p>When to be actioned by: 31 December 2015</p>



	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
6	There is an agreed timetable in place for inventory checks; inventories are carried out as per agreed timings.	<p>Reports are available from the Red Kite system to check whether inventories have been carried out to required timescales. Currently there are no checks in place to identify whether inventory checks have been carried out by staff.</p> <p>There is a risk that inventories are not carried out in accordance with required frequencies. If equipment is missing or has been moved between vehicles it may not be identified before an emergency call out.</p>	Medium	<i>This should be the responsibility of the Station Commanders. This will be discussed with the new Head of Service Delivery.</i>	<p>Who to be actioned by: Fleet Manager</p> <p>When to be actioned by: 31 March 2016</p>
7	An annual stock check is carried out by an independent person; any anomalies are investigated and actioned in accordance with Financial Instructions.	<p>A stock take was carried out on 1 April 2015 by Asset Management staff. A hard copy of the inventory check was not available.</p> <p>A sample of 15 items from the stock list on the Red Kite system was checked against the amounts held in the stores. There were discrepancies for 11 items.</p> <p>There is a risk that correct stock levels are unknown leading to incorrect reporting and a possible financial loss for the Authority.</p>	Medium	<i>Finance were given a hard copy of the inventory when the last stock check was undertaken. The system will be re-set to correct the inaccuracies then an independent stock check will be carried out.</i>	<p>Who to be actioned by: Asset Management System Officer</p> <p>When to be actioned by: 31 March 2016</p>



	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
Key Risk Area		Reporting			
8	Reports are run and reviewed by management on stock and history of orders both personal and for stations.	<p>There is a list of standard reports that are obtainable from the Red Kite System. The only report to be utilised is the stock report which was run in September 2014; this was found to contain inaccuracies.</p> <p>If management reports are not reviewed regularly there is a risk that inaccuracies in the system are not corrected and financial information held within the system is not monitored.</p>	High	<i>Management reporting will be developed; reports will be run and reviewed on a regular basis.</i>	Who to be actioned by: Acting Director of Finance and Assets When to be actioned by: 31 March 2016



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:

Governance and System Security

- Appropriate security is not provided over access to system and data allowing data to be compromised.
- Lack of provision for system recovery and continuity of business processes leading to a loss of data and time.
- Staff are unaware of their responsibilities and the required procedures for the new system leading to data on the system being incomplete/inaccurate.
- System support arrangements are not adequate leading to data not being updated in a timely manner.

Functionality and recording of assets

- Assets are not identified, marked and recorded leading to risk of loss or misuse.
- Records are inadequate to enable identification of assets owned and determine those in use or not in use.
- Regular stock checks are not carried out leading to possible anomalies in records.
- Assets are written off/disposed of without proper authorisation.

Reporting

- The system does not produce accurate and timely information to enable effective management interrogation and reporting.

- 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:

- Property repairs



5. Staff Interviewed

- David Sutherland, Acting Director of Finance and Assets
- Jez Finden, Fleet Manager
- Maria Darrell, Asset Management System Officer
- Chris Cook, Asset Management Technician
- Tony Hart, Asset Management Technician

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.

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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	2 December 2015
OFFICER	Maggie Gibb, Internal Audit Manager David Sutherland, Director of Finance and Assets
LEAD MEMBER	Councillor David Watson
SUBJECT OF THE REPORT	Internal Audit Report: Update of progress of audit recommendations
EXECUTIVE SUMMARY	<p>The purpose of this paper is to update the Overview and Audit Committee on the progress of the implementation of audit recommendations made as at 2 November 2015.</p> <p>Any further progress against outstanding recommendations will be verbally presented to the Overview and Audit Committee on 2 December 2015.</p> <p>In total there are 33 recommendations to report on the status of which are classified as follows:</p> <p>Green (Implemented) 27/33 (82%).</p> <p>Amber (on track not yet due) 4/33 (12%).</p> <p>Red (not implemented, due date revised) 2/33 (6%).</p> <p>The two recommendations which have not been fully implemented have been progressed but are not yet complete.</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 the progress on the implementation of recommendations be noted.
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.
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	No direct impact.
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: Status of Internal Audit recommendations – November 2015.
TIME REQUIRED	5 minutes.
REPORT ORIGINATOR AND CONTACT	Maggie Gibb – Risk and Insurance Manager mgibb@buckscc.gov.uk

ANNEX A:

Status of Internal Audit recommendations – November 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 2 November 2015		
							Red	Amber	Green
2014/15									
Risk Management	November 2014	Substantial	3	3	0	↑	0	0	3
HR People Management	April 2015	Substantial	2	1	0	↓	1*	0	1
Corporate Governance	February 2015	Reasonable	13	12	4	↑	0	1	12
Housing Accommodation and Allowances	March 2015	Reasonable	5	4	0	↓	1**	0	4
Core Financial Controls	March 2015	Substantial	8	5	2	↑	0	3	5
ICT Strategy	June 2015	Reasonable	2	2	2	↑	0	0	2
Totals			33	27	8		2	4	27

Notes for Overview and Audit Committee:

* **HR People Management** – Recommendation 1 - Policies have been updated and agreed; although implementation date has passed there is one outstanding: BA Health Monitoring is underway and the procedure is drafted. There has been a national document from CFOA out for consultation on the health management of compartment fires and behaviour instructors, this document will influence the content of the BA Health Monitoring document.

** **Housing Accommodation and Allowances** - Recommendation 4 - Initially L&Q considered individual occupancy agreements were not required. They then agreed they were and set about drafting them leading to a delay in implementing the recommendation, HR are continuing to chase up the outstanding occupancy agreement.

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	2 December 2015
OFFICER	Maggie Gibb, Audit Manager David Sutherland, Director of Finance and Assets
LEAD MEMBER	Councillor David Watson
SUBJECT OF THE REPORT	Internal Audit Report: Update of progress of the Annual Audit Plan
EXECUTIVE SUMMARY	<p>The purpose of this paper is to update the Overview and Audit Committee on the progress of the annual Internal Audit Plan since the last meeting.</p> <p>Work is progressing according to the 2015/16 plan, and regular discussions have been held with the Acting Director of Finance and Assets to monitor progress.</p> <p>The audits of Pensions Administration and Control Centre are expected to be completed and at a draft report stage by the end of November and as such the progress report will be updated ahead of the next Overview and Audit Committee meeting to reflect this.</p> <p>The audit of HR People Management will also be in progress before the next Overview and Audit Committee meeting.</p> <p>Timings for the remaining audits will be discussed and agreed with the Overview and Audit Committee.</p>
ACTION	Information.
RECOMMENDATIONS	That the progress on the annual Internal Audit Plan be noted.
RISK MANAGEMENT	There are no risk implications arising from this report.
FINANCIAL IMPLICATIONS	The audit work is contained within the 2015-16 budget.
LEGAL IMPLICATIONS	There are no legal implications arising from this report.
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	The Authority has committed to a default position of collaboration with Thames Valley FRAs unless a clear business case favours an alternative collaborative option.

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 the Strategic Management Board (SMB) and Overview and Audit Committee.
PROVENANCE SECTION & BACKGROUND PAPERS	Internal Audit Plan 2015/16. Internal Audit reports taken to Overview and Audit Committee.
APPENDICES	Annex A: Progress against the 2015/16 annual Audit Plan, including timings of the planned work.
TIME REQUIRED	10 minutes.
REPORT ORIGINATOR AND CONTACT	Maggie Gibb – Internal Audit Manager mgibb@live.co.uk 01296 387327

Progress against 2015/16 Internal Audit Plan with a schedule of proposed work still to be undertaken

Auditable Area	Key Audit Objectives	Day Budget (Timing)	Status	O&A Report Date
Core Financial Controls	To fulfil our statutory responsibilities, we will undertake work to provide assurance over key controls within the financial governance framework. Key systems that will be tested include: <ul style="list-style-type: none"> ○ Budget Setting/Monitoring ○ Procure to Pay ○ Payroll & Pensions ○ Debtors ○ Capital ○ Financial Regulations ○ General Ledger ○ Reconciliations ○ Treasury Management This review will include a follow up of the 2014/15 audit report.	30 days (Q4)	Planning (start date 4 January 16)	March/June 2016
Pension Administration	This audit will focus on the systems of control in place for the administration of Firefighters Pensions, including roles and responsibilities, compliance with legislation and accuracy of accounting.	7 days (Q2)	Fieldwork in progress	March 2016
Control Centre	Scope to be agreed post cut over (possibly joint with OCC)	8 days (Q1)	Planning	March 2016
Asset Management	The audit will provide assurance on the governance framework and functionality of the Asset Management System including system security, asset recording and reporting.	7 days (Q2)	Final Report REASONABLE	December 2015
TBC	Possible areas: Project Management Contract Management Financial Planning To be discussed and agreed with Acting Director of Finance and Assets in conjunction with Overview and Audit Committee.	13 days (Q3)		March 2016
HR People Management	This audit will focus on the systems of control in place within the HR service over allocation of workloads and managing staff. This will include a review of the VIVA system.	5 days (Q1)	Planning (initial meeting 28/8/15) (delayed to Q3)	March 2016

Internal Audit Report: Update of progress of the Annual Audit Plan

Contingency	A contingency has been included within the audit plan to provide flexibility and in recognition of an expected but as yet unspecified need. If the days remain as at the beginning of Q4 then they will be used to review some key Governance areas such as Project Management and Contract Management, with the agreement of the Acting Director of Finance and Assets.	10 days		
Follow Up				
Follow Up - general	To ensure all 2013/14 and 2014/15 medium and high recommendations of significant nature are implemented, in addition to recommendations still outstanding from previous years.	10 days	Ongoing	December 2015
Audit Management				
Corporate Work	A proportion of the total audit resource is made available for 'corporate work'. Corporate work is non-audit specific activity which still 'adds value' or fulfils our statutory duties. Examples of this type of work include attendance and reporting to Management and Committee, and audit strategy and planning work. This also includes developing the Audit Plan, writing the Annual Report and undertaking the annual Review of Effectiveness of Internal Audit.	10 days	N/a	N/a
Total		100 days		



Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	2 December 2015
OFFICER	David Sutherland, Director of Finance and Assets
LEAD MEMBER	Councillor Andy Dransfield
SUBJECT OF THE REPORT	Treasury Management Performance 2015/16 - Quarter 2
EXECUTIVE SUMMARY	<p>This report is being presented as Members resolved at the meeting of Buckinghamshire and Milton Keynes Fire Authority on 14 October 2015 that future Treasury Management reports would be submitted to the Overview and Audit Committee. It is best practice to review on a regular basis how Treasury Management activity is performing.</p> <p>The accrued interest earned for the first half of 2015/16 is £84k, which is £34k higher than the budget for the period.</p> <p>Total investment balances have increased by £3.7m since quarter 1 due to the receipt of transformation funding and the pension top-up grant. Accurate cash flow forecasting and the decision by Members to allow the Authority to invest in certificates of deposit (CDs) has enabled officers to optimise investment duration, access better rates and therefore maximise investment income.</p>
ACTION	Information.
RECOMMENDATIONS	That the Treasury Management Performance 2015/16 – Quarter 2 report be noted.
RISK MANAGEMENT	<p>Making investments in the Authority's own name means that the Authority bears the risk of any counterparty failure. This risk is managed in accordance with the strategy and with advice from external treasury management advisors.</p> <p>The Director of Finance and Assets, will act in accordance with the Authority's policy statement; Treasury Management Practices and CIPFA's Standard of Professional Practice on Treasury Management.</p> <p>There are no direct staffing implications.</p>
FINANCIAL IMPLICATIONS	The budget for 2015/16 relating to interest earned on balances invested is £100k (increased from £70k in

	2014/15). Performance against the budget is included within Appendix A.
LEGAL IMPLICATIONS	The Authority is required by section 15(1) of the Local Government Act 2003 to have regard to the Department for Communities and Local Government Guidance on Local Government Investments; and by regulation 24 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146] to have regard to any prevailing CIPFA Treasury Management Code of Practice
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	No direct impact.
HEALTH AND SAFETY	No direct impact.
EQUALITY AND DIVERSITY	No direct impact.
USE OF RESOURCES	See Financial Implications.
PROVENANCE SECTION & BACKGROUND PAPERS	Treasury Management Policy Statement, Treasury Management Strategy Statement and the Annual Investment Strategy http://bucksfire.gov.uk/files/2514/2719/3915/Treasury_Management_Strategy_2015-16.pdf Treasury Management Practices http://www.bucksfire.gov.uk/NR/rdonlyres/FDA454EA-1735-4569-BE96-C1E3D0079A75/0/ITEM6TreasuryManagementPracticeSandASep13andAnnexA.pdf
APPENDICES	Appendix A: Treasury Management Performance 2015/16 – Quarter 2
TIME REQUIRED	5 minutes.
REPORT ORIGINATOR AND CONTACT	Linda Blunt lblunt@bucksfire.gov.uk 01296 744404

Appendix A – Treasury Management Performance 2015/16 – Quarter 2

Background

Up until 31 March 2013, the Authority's cash balances were managed by Buckinghamshire County Council (BCC) under a Service Level Agreement (SLA). From 2013/14 the Authority began investing in its own name. This report highlights the performance of the in-house treasury management function for its third year 2015/16.

Security of Investments

The primary investment priority as set out in the Treasury Management Policy Statement is the security of capital. The Authority applies the creditworthiness service provided by Capita (formerly known as Sector). This determines whether or not a counterparty is suitable to invest with and if so, the maximum duration an investment could be placed with them. In the Annual Investment Strategy (AIS), the Authority resolved that the balances invested with any single counterparty at any point in time would be 30% of the total investment portfolio to a maximum of £5m (with the exception of Lloyds Bank, who as our banking provider have a limit of £7.5m, of which at least £2.5m must be instant access). The amount invested with each counterparty on the approved lending list as at 30 September 2015 is detailed below:

Counterparty	Amount (£000)
Lloyds Bank plc	5,000
Santander	5,000
Nationwide Building Society	3,000
Barclays Bank	5,000
Coventry Building Society	1,000
Standard Chartered Bank	2,000
Royal Bank Of Scotland	3,000
Lloyds Bank plc (current accounts)	218
Ignis Sterling MMF*	1,000
Total	25,218

*MMF denotes a Money Market Fund

No counterparty limits were breached during Quarter 2.

The above investments include an amount of £1m invested in a money market fund (MMF). A MMF employs credit analysts who first assess who is a suitable counterparty and then continue to monitor those counterparties over time. By investing with a range of counterparties, risk is able to be diversified to a greater extent than investing directly in single counterparties.

In its AIS the Authority also resolved that all credit ratings will be monitored weekly, by means of the Capita creditworthiness service. During Quarter 2 Capita made several changes to the counterparty listing. Therefore in line with the AIS, the Authority’s lending list has been updated to reflect these changes as detailed in the table below:

<u>Country</u>	<u>Counterparty</u>	<u>Maximum Duration as at 30/06/2015</u>	<u>Maximum Duration as at 30/09/2015</u>
UK	Bank of New York Mellon (International) Ltd	Orange - 12 mths	Removed
UK	Citibank International PLC	Red - 6 mths	Removed
UK	Co-operative Bank Plc		No colour - 0 mths
UK	Credit Suisse International	Red - 6 mths	Removed
UK	MBNA Europe Bank	Green - 100 days	Removed
UK	Merrill Lynch International	Red - 6 mths	Removed
UK	Morgan Stanley & Co International plc	Red - 6 mths	Removed
UK	Standard Chartered Bank	Orange - 12 mths	No colour - 0 mths

Key:

Orange - 12 mths	Approved for investments up to 12 months in duration
Red - 6 mths	Approved for investments up to 6 months in duration
Green - 100 days	Approved for investments up to 100 days in duration
No Colour	Counterparty no approved for investments of any duration

It should be noted that Standard Chartered Bank were downgraded to “No colour” at the end of September and the Authority has £2m invested with them. However, Capita have advised that they are still comfortable with Standard Chartered Bank and as at 13 October 2015 they had reclassified the bank as “Red – 6 months” status.

Capita say that “having spoken to several fund managers about the bank, who have checked with their credit teams and there has been no change in sentiment towards the bank. This underpins Capita’s view of not to pre-emptively sell a position.”

Standard Chartered are in the middle of a transformation programme and has appointed a new CEO who will unveil his plan in December. The bank is subject to the UK variant stress test, which this year focuses on stress created in international markets, namely China and the Eurozone. Given the bank’s own focus on Asian markets there is expectation it, alongside HSBC, will not fare nearly as well as they did in last year’s domestically focussed stress test.

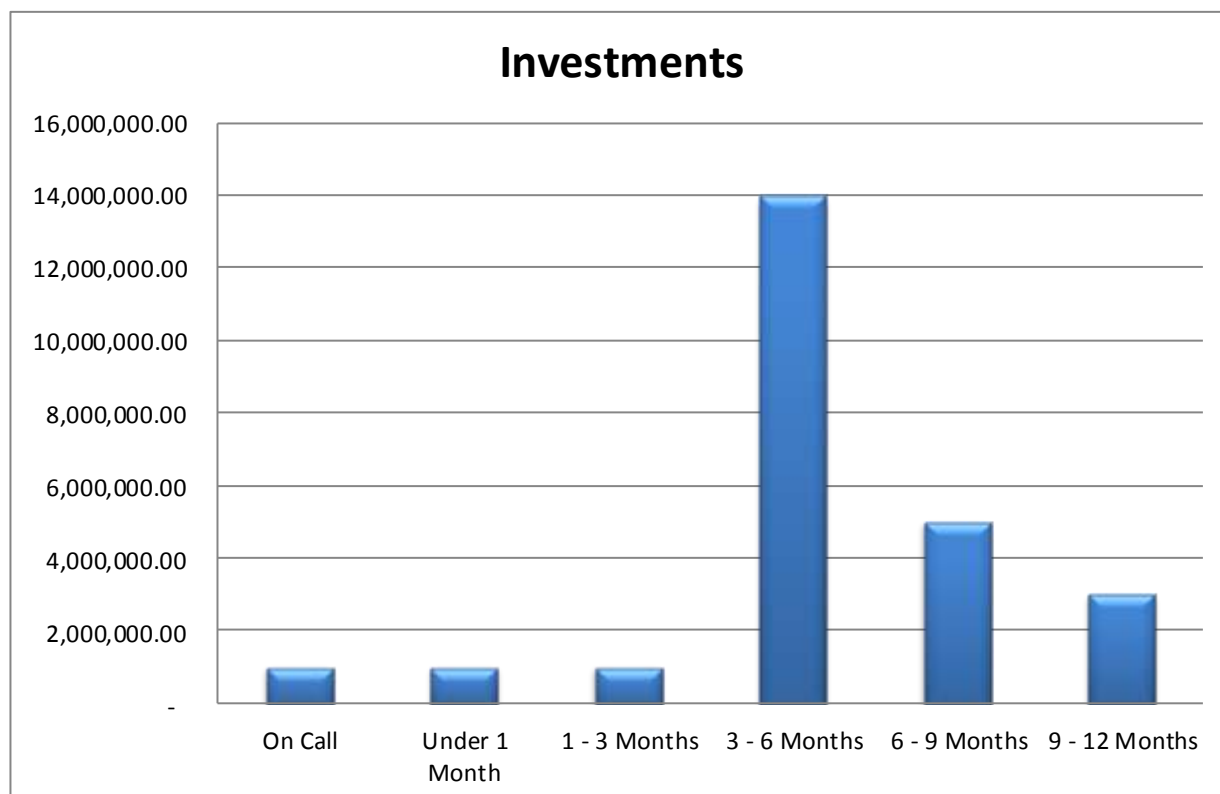
The equity price of both HSBC and Standard Chartered fell through July / August. An article in the Financial Times about potential sanctions for breaches in the United States caused another fall, but it has subsequently bounced back, helped also by

stronger equity markets all around. Capita suggest that this stabilisation is another reason for clients to be comfortable to hold their positions at present.

Liquidity

Investments

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



By reviewing the Balance Sheet position, level of reserves and cash requirements, the Authority determined that it was able to re-invest £5m for one year (which matures on 4 April 2016). In order to cover expenditure such as salaries, pensions, creditor payments, and potential liabilities for which we have made provisions within the Statement of Accounts, a greater proportion of the balances are invested as short fixed-term deposits. Any unforeseen circumstances and potential major incidents that could occur are covered by holding a smaller proportion of the investment balances on call (i.e. it is available for use on the day it is required).

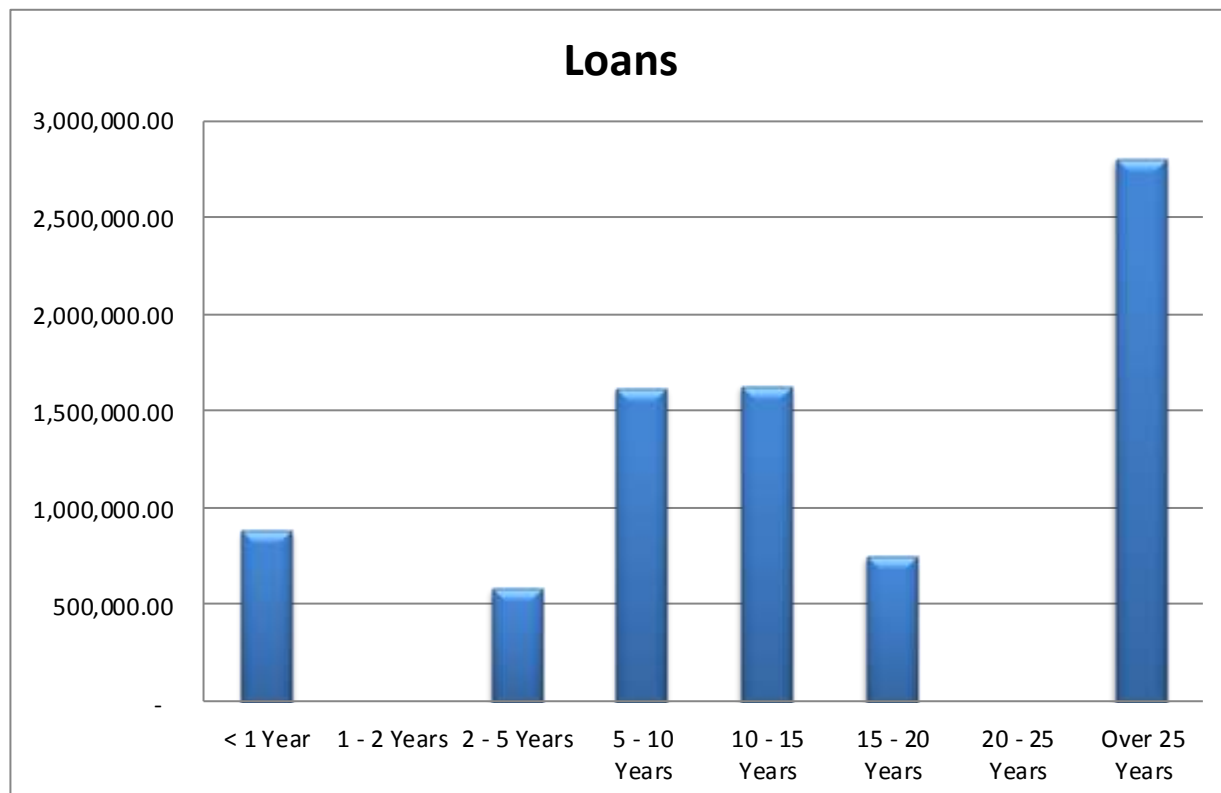
The investments under one month duration consist of one investment of £1m to Nationwide. The investment of £1m that is 1-3 months in duration was originally made for six months. The investments for 3-6 months totalling £14m is spread over eight counterparties. They were made for a combination of 3 months and 6 months, four of these mature in January 2016 and the other half in February 2016. When they are reinvested they will again be spread over more varied lending periods in order to maintain liquidity

Balances on call include the investments in the MMF. A MMF helps improve the liquidity of the Authority's balances. By investing collectively, the Authority benefits

from liquidity contributed by others and from the knowledge they are all unlikely to need to call on that money at the same time.

Borrowing

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



The total borrowing outstanding as at 30 June 2015 is £8.265m. The earliest date for repayment of borrowing is March 2016, when £0.515m is due to be repaid. A further £0.368m is also due to be repaid in May 2016. These repayments do not directly affect the revenue budget, as they simply reflect the use of cash (accumulated by setting aside the appropriate minimum revenue provision (MRP) year on year) to settle the outstanding liability.

The MRP does have a direct impact on the revenue account and therefore the General Fund. If the Authority repays borrowing and does not take out additional borrowing, the annual MRP charge will gradually reduce over time.

Investment Yield

Having determined proper levels of security and liquidity, it is reasonable to consider the level of yield that could be obtained that is consistent with those priorities.

Performance Against Budget – Quarter 2

The budget for future years was reviewed as part of the Medium Term Financial Plan process and the income target was increased to £100k. This increase is due to the continuing over-achievement against the previous year’s budget.

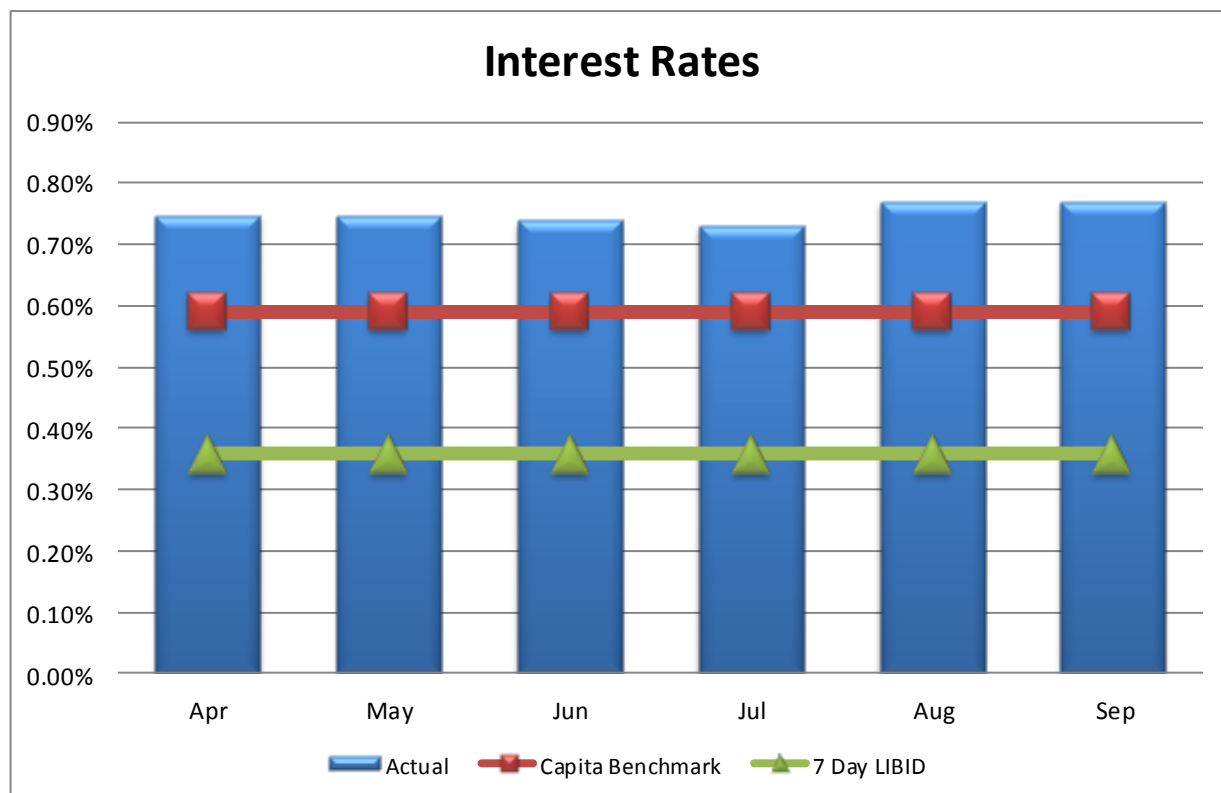
The accrued interest earned as at 30 September 2015 is £84k, which is an over achievement of £34k for the first half of the year.

Performance Against the Benchmark – Quarter 2

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

- 7 day LIBID – this is the rate the Authority would have earned on all balances had the SLA with BCC continued into future years
- Capita benchmark – this is the indicative rate that Capita advised we should be looking to achieve for 2015/16 at the start of the year

The weighted average rate (%) is compared to the two benchmark figures in the following chart for each month:



The Authority has out-performed both benchmark figures for the first half of the year. The use of certificates of deposit agreed in the 2015/16 strategy has provided access to preferable rates not previously available to the Authority. Rates are also starting to gradually rise by a few basis points as the market starts to price in a base rate rise.

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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	2 December 2015
OFFICER	David Sutherland, Director of Finance and Assets
LEAD MEMBER	Councillor Andy Dransfield
SUBJECT OF THE REPORT	Treasury Management Strategy 2016/17
EXECUTIVE SUMMARY	<p>This report is being presented as the Fire Authority is required to approve the Treasury Management Policy Statement, Treasury Management Strategy Statement and the Annual Investment Strategy. These documents (Appendix A) all support the Medium Term Financial Plan.</p> <p>The current strategy is operating effectively and outperforming the benchmark targets. There are no significant changes to the proposed strategy for 2016/17.</p>
ACTION	Decision.
RECOMMENDATIONS	It is recommended that the Authority be recommended to approve the Treasury Management Policy Statement, Treasury Management Strategy Statement and the Annual Investment Strategy for 2016/17.
RISK MANAGEMENT	<p>Making investments in the Authority's own name means that the Authority bears the risk of any counterparty failure. This risk will be managed in accordance with the strategy and with advice from external treasury management advisors.</p> <p>The Director of Finance and Assets will act in accordance with the Authority's policy statement; treasury management practices and CIPFA's Standard of Professional Practice on Treasury Management. There are no direct staffing implications.</p>
FINANCIAL IMPLICATIONS	<p>The proposed budget for 2016/17 is £100k. It is anticipated that the budget will be met. Detailed information is shown within Appendix A.</p> <p>The advice from the Authority's current treasury management advisers (Capita) is that they are "not aware of any public sector bodies which actually make ethical investments. This is down to the two factors</p>

	<p>referred to, i.e. security, in that an organisation may be ethical but may not have the required credit ratings and guarantees in place to secure your investment and secondly yield, where returns are well below other secure investments available in the market place. To go down this route may therefore compromise security and yield.”</p> <p>“Ethical investments” currently available do not provide the necessary security and yield.</p>
LEGAL IMPLICATIONS	<p>The Authority is required by section 15(1) of the Local Government Act 2003 to have regard to the Department for Communities and Local Government Guidance on Local Government Investments; and by regulation 24 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146] to have regard to any prevailing CIPFA Treasury Management Code of Practice.</p> <p>Under Section 12 of the Local Government Act 2003 the Authority has the power to invest for “any purpose relevant to its functions” and “for the purposes of the prudent management of its financial affairs”.</p> <p>However it must exercise its investment power in accordance with its fiduciary duty, analogous to that of a trustee, owed to those who contribute to the funds of the Authority.</p>
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	No direct impact.
HEALTH AND SAFETY	No direct impact.
EQUALITY AND DIVERSITY	No direct impact.
USE OF RESOURCES	The projected income has been factored into the Medium Term Financial Plan.
PROVENANCE SECTION & BACKGROUND PAPERS	<p>CIPFA Code of Practice for Treasury Management in the Public Services (CIPFA Code).</p> <p>Department for Communities and Local Government Guidance on Local Government Investments (DCLG Guidance).</p>
APPENDICES	<p>Appendix A – Treasury Management Policy Statement, Treasury Management Strategy Statement and Annual Investment Strategy</p> <p>Appendix B – Provisional Counterparty List</p> <p>Appendix C – Prospects for Interest Rates</p>
TIME REQUIRED	10 minutes.

REPORT ORIGINATOR AND CONTACT	Linda Blunt lblunt@bucksfire.gov.uk 01296 744404
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Appendix A – Treasury Management Policy Statement, Treasury Management Strategy Statement and Annual Investment Strategy

Treasury Management Policy Statement

This Authority defines its treasury management activities as:

The management of the Authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

This Authority regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

This Authority acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

The investment policy objective for this Authority is the prudent investment of its treasury balances. The Authority's investment priorities are the security of capital and liquidity of its investments so that funds are available for expenditure when needed. Both the CIPFA Code and DCLG guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The generation of investment income to support the provision of local authority services is an important, but secondary, objective.

The Authority's borrowing objectives are to minimise the revenue costs of debt whilst maintaining a balanced loan portfolio. The Authority will set an affordable borrowing limit each year in compliance with the Local Government Act 2003, and will have regard to the CIPFA Prudential Code for Capital Finance in Local Authorities when setting that limit.

Treasury Management Strategy Statement

Current Portfolio Position

The Authority's treasury portfolio position as at 30 September 2015 comprised:

Borrowing

Fixed Rate Funding: £8.265m Average Rate: 4.65%

During Quarter 4 2015/16 the Authority will repay £515k of borrowing and in Quarter 1 2016/17 will repay a further £368k, reducing the portfolio position to £7.382m at an average interest rate of 4.59%.

Investments

£25.218m Average Rate 1 April 2015 to 30 September 2015: 0.76%

It is anticipated that a number of large payments will be made before the end of the year. Therefore, projected interest receivable (see 'Prospects for Interest Rates' below) has been modelled on an average fund balance of £20m.

Prospects for Interest Rates

For 2016/17, the Authority will continue with Capita as its external treasury management advisor. Capita's view of the prospects for interest rates can be seen in Appendix C.

Capita advise that the current benchmark rate of return on investments should be Base Rate (currently 0.50%), although the rate may be higher if the Authority is able and willing to commit funds for longer durations (up to one year). Using this benchmark figure would give an annual return of circa £100k on a balance of £20m (the total projected return for 2015/16 is circa £150k).

If the Annual Investment Strategy was to remain unchanged from 2015/16, the Authority projects that it could achieve an average rate of 0.79%, which would give an annual return of circa £158k on a balance of £20m.

Borrowing Strategy

The Authority's borrowing objectives are:

- To minimise the revenue costs of debt whilst maintaining a balanced loan portfolio
- To manage the Authority's debt maturity profile, leaving no one future year with a disproportionate level of repayments

No additional borrowing is forecast to take place during the duration of the medium term financial plan.

Investment Strategy

This Authority maintains investments that are placed with reference to cash flow requirements. Investment of the Authority's funds is in accordance with the Annual Investment Strategy.

Debt Rescheduling

The potential for debt rescheduling is monitored in light of interest rate movements.

Any rescheduling will be in accordance with the borrowing strategy. The reasons for rescheduling include:

- The generation of cash savings at minimum risk
- Fulfilment of the borrowing strategy
- Enhancement of the maturity profile of the borrowing portfolio

Due to the current level of penalties on the early repayment of borrowing, it is not expected that any debt will be restructured over the medium term.

Annual Investment Strategy (AIS)

A prudent investment policy has two objectives (as defined by the DCLG guidance):

- achieving first of all security (protecting the capital sum from loss);
- and then liquidity (keeping the money readily available for expenditure when needed);
- once proper levels of security and liquidity are determined, it will then be reasonable to consider what yield can be obtained consistent with those priorities.

Investment Policy

In accordance with guidance from the DCLG and CIPFA, and in order to minimise the risk to investments, the Authority has below clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published by all three ratings agencies with a full understanding of what these reflect in the eyes of each agency. Using the Capita ratings service potential counterparty ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

Continuing regulatory changes in the banking sector are designed to see greater stability, lower risk and the removal of expectations of Government financial support should an institution fail. This withdrawal of implied sovereign support is anticipated to have an effect on ratings applied to institutions. This will result in the key ratings used to monitor counterparties being the Short Term and Long Term ratings only. Viability, Financial Strength and Support Ratings previously applied will effectively become redundant. This change does not reflect deterioration in the credit environment but rather a change of method in response to regulatory changes.

As with previous practice, ratings will not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Authority will engage with its advisors to maintain a monitor on market pricing such as credit default swaps (CDS) and overlay that information on top of the credit ratings. This is fully integrated into the credit methodology provided by the advisors, Capita in producing its colour coding which show the varying degrees of suggested creditworthiness.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.

The intention of the strategy is to provide security of investment and minimisation of risk.

Creditworthiness Policy

This Authority applies the creditworthiness service provided by Capita. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Authority to determine the suggested duration for investments. The Authority will therefore use counterparties within the following durational bands:

- Yellow 5 years
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 3 months
- No colour not to be used

The Capita creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

Typically the minimum credit ratings criteria the Authority use will be a short term rating (Fitch or equivalent) of short term rating F1, long term rating A-, viability rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored weekly. The Authority is alerted to changes to ratings of all three agencies through its use of the Capita creditworthiness service.

- if a downgrade results in the counterparty/investment scheme no longer meeting the Authority's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Authority will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Authority's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Authority will also use market data and market information, information on government support for banks and the credit ratings of that supporting government.

Country Limits

In 2014/15, the Authority determined that it would not only use approved counterparties based within the United Kingdom during the year but allowed a limited number of counterparties from outside of the UK to be used. Although none of these counterparties were used during 2015/16, these will remain on the lending list for 2016/17. The primary purpose of this is not to increase yield, but to provide additional diversity to the portfolio to effectively manage risk. A number of non-UK banks are ranked higher than some of the UK banks on the Authority's current counterparty list. A list of the proposed counterparties is shown in Appendix B. Although Capita advise that investments can be placed with some of the counterparties for longer than 100 days, the Authority proposes to limit the duration of all non-UK investments to 100 days.

Counterparty Limits

As per the 2015/16 AIS, the Authority has determined that the maximum balance that can be invested with a single counterparty at any point in time will be no more than 30% of the portfolio, up to a limit of £5 million.

The one exception to this limit in the 2016/17 AIS will continue to be Lloyds, where the maximum balance that can be invested will be a limit of £7.5 million. Of this £7.5 million, no more than £5 million will be invested in non-instant access (call) accounts.

The rationale for this is that Lloyds are the Authority's main banking provider, and as part of the contract will pay credit interest on all balances at a rate of Base Rate minus 0.10% (currently giving an effective rate of 0.40%). This means that:

- A higher rate can be achieved than on most other instant-access accounts
- The staff time taken to move money between our main bank account and other instant access account is reduced
- The banking charges associated with the movement of the money between accounts is reduced
- The additional risk exposure to the Authority is minimal as:
 - Lloyds are part nationalised and enjoy significant support from the Government
 - All amounts over the current £5 million limit would be available for withdrawal immediately should circumstances require

Investment Security

Investments are defined as being in one of two categories:

- Specified investments – these are investments with high security and high liquidity. All specified investments are in sterling and have a maturity of no more than one year. They will be with the UK government, a local authority, a parish council or with an investment scheme or body of "high credit quality" (as judged against the Creditworthiness Policy detailed earlier in this paper)

- Non-specified investments – any type of investment that does not meet the specified investment criteria. A maximum of 10% will be held in aggregate in non-specified investments i.e. the Authority may invest funds with other Local Authorities for longer than 364 days – up to a maximum of five years as denoted by the yellow banding on the Capita creditworthiness policy detailed earlier in this paper. Local authorities are Government backed.

Investment Training

Relevant training and updates will be provided to relevant staff by the external treasury management advisors. This will be supplemented by additional training from CIPFA where necessary.

Investment of Money Borrowed in Advance of Need

The Authority does not currently have any money that has been borrowed in advance of need. No further borrowing is planned over the medium term.

Investment Liquidity

In consultation with external treasury advisors, the Authority will review its balance sheet position, level of reserves and cash requirements in order to determine the length of time for which investments can be prudently committed. Investments will be placed at a range of maturities, including having money on-call in order to maintain adequate liquidity.

Appendix B – Provisional Counterparty List

This list is based on information provided by Capita as at October 2015. Please note that all colours indicated refer to Capita's creditworthiness policy (see Appendix A):

UK Based Counterparties

Country	Counterparty	Maximum Duration
UK	Abbey National Treasury Services *	Red - 6 mths
UK*	Bank of Scotland **	Red - 6 mths
UK	Barclays Bank plc	Red - 6 mths
UK	Close Brothers	Red - 6 mths
UK	Clydesdale Bank	No colour - 0 mths
UK	Co-operative Bank Plc	No colour - 0 mths
UK	Goldman Sachs International	Green - 100 days
UK	HSBC Bank plc	Orange - 12 mths
UK*	Lloyds Banking Group **	Red - 6 mths
UK	Santander UK PLC *	Red - 6 mths
UK	Standard Chartered Bank	No colour - 0 mths
UK	Sumitomo Mitsui Banking Corporation Europe Ltd	Red - 6 mths
UK	UBS Ltd	Red - 6 mths
UK	Coventry Building Society	Red - 6 mths
UK	Leeds Building Society	Red - 6 mths
UK	Nationwide BS	Red - 6 mths
UK	Yorkshire Building Society	Green - 100 days
UK	Debt Management Office	Yellow - 60 mths
UK	Other Local Authorities	Yellow - 60 mths
UK*	Royal Bank of Scotland Group ***	Blue - 12 mths
UK*	National Westminster Bank ***	Blue - 12 mths

* Indicates that the counterparty is nationalised/part nationalised

The Authority will also have the ability to invest in AAA rated money market funds (MMFs) and enhanced money market funds.

Non-UK Based Counterparties

Country	Counterparty	Maximum Duration (as rated by Capita)
Germany	Deutsche Bank AG	Green - 100 days
Germany	DZ BANK AG Deutsche Zentral-Genossenschaftsbank	Green - 100 days
Germany	Landesbank Berlin AG	Green - 100 days
Germany	Landesbank Hessen-Thuringen Girozentrale	Green - 100 days
Germany	Landwirtschaftliche Rentenbank	Orange - 12 mths
Sweden	Nordea Bank AB	Orange - 12 mths
Sweden	Skandinaviska Enskilda Banken AB	Red - 6 mths
Sweden	Svenska Handelsbanken AB	Orange - 12 mths
Sweden	Swedbank AB	Red - 6 mths

As noted in Appendix A, the duration of all non-UK investments will be limited to 100 days, even where Capita advise that a longer duration is acceptable.

There are a number of other non-UK based counterparties that have not been included on the list, as either the rates offered are significantly lower than available elsewhere, or that the counterparty is unlikely to take deposits of the size the Authority would be able to offer.

Counterparties Rated 'No Colour' by Capita

As noted in Appendix A, sole reliance will not be placed on the use of Capita ratings. The Authority will also use market data and market information, information on government support for banks and the credit ratings of that supporting government. The Authority added four building societies to its counterparty list in 2014/15, at which time they were all rated 'No Colour' by Capita. Of these only one continues to be rated as such, the rest are now rated, two are 'Red- 6mths' and two are 'Green – 100 Days'.

The following building societies that the Authority proposes to use all have group assets of at least £10billion. The maximum duration for investments will be limited to 100 days.

Country	Counterparty	Maximum Duration (as rated by Capita)
UK	Skipton BS	No colour - 0 mths

Appendix C – Prospects for Interest Rates

The following table gives the Capita central view:

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
Dec 2015	0.50	2.40	3.60	3.60
Mar 2016	0.50	2.50	3.80	3.80
Jun 2016	0.75	2.60	43.90	3.90
Sep 2016	0.75	2.80	4.00	4.00
Dec 2016	1.00	2.90	4.10	4.10
Mar 2017	1.00	3.00	4.20	4.20
Jun 2017	1.25	3.10	4.30	4.30
Sep 2017	1.50	3.20	4.40	4.40
Dec 2017	1.50	3.30	4.50	4.50
Mar 2018	1.75	3.40	4.60	4.60
Jun 2018	1.75	3.50	4.60	4.60

The following paragraphs provide Capita's commentary on the current economic situation (*due to the potentially volatile nature of the economy, this section will be updated further before presentation to the CFA*).

Economic forecasting remains difficult with so many external influences weighing on the UK. Our Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data evolves over time. Capita Asset Services undertook its last review of interest rate forecasts on 11 August 2015 shortly after the quarterly Bank of England Inflation Report. Later in August, fears around the slowdown in China and Japan caused major volatility in equities and bonds and sparked a flight from equities into safe havens like gilts and so caused PWLB rates to fall below our forecasts for quarter 4 2015. However, there is much volatility in rates as news ebbs and flows in negative or positive ways and news in September in respect of Volkswagen, and other corporates, compounded downward pressure on equity prices. This latest forecast includes a first increase in Bank Rate in quarter 2 of 2016.

Despite market turbulence in late August and in September causing a sharp downturn in PWLB rates, the overall trend in the longer term will be for gilt yields and PWLB rates to rise when economic recovery is firmly established accompanied by rising inflation and consequent increases in Bank Rate, and the eventual unwinding of QE. Increasing investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

The overall balance of risks to economic recovery in the UK is currently evenly balanced. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

However, the overall balance of risks to our Bank Rate forecast is probably to the downside, i.e. the first increase, and subsequent increases, may be delayed further if recovery in GDP growth, and forecasts for inflation increases, are lower than currently

predicted. The disappointing US nonfarm payrolls figures and UK PMI services figures at the beginning of October have served to reinforce a trend of increasing concerns that growth is likely to be significantly weaker than had previously been expected. This, therefore, has markedly increased concerns, both in the US and UK, that growth is only being achieved by monetary policy being highly aggressive with central rates at near zero and huge QE in place. In turn, this is also causing an increasing debate as to how realistic it will be for central banks to start on reversing such aggressive monetary policy until such time as strong growth rates are more firmly established and confidence increases that inflation is going to get back to around 2% within a 2-3 year time horizon. Market expectations in October for the first Bank Rate increase have therefore shifted back sharply into the second half of 2016.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
- UK economic growth turns significantly weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU, US and China.
- A resurgence of the Eurozone sovereign debt crisis.
- Recapitalisation of European banks requiring more government financial support.
- Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or the start of Fed. rate increases, causing a flight to safe havens

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- Uncertainty around the risk of a UK exit from the EU.
- The ECB severely disappointing financial markets with a programme of asset purchases which proves insufficient to significantly stimulate growth in the EZ.
- The commencement by the US Federal Reserve of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.

UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	2 December 2015
OFFICER	Julian Parsons, Head of Service Development
LEAD MEMBER	Councillor Andy Dransfield
SUBJECT OF THE REPORT	Business and Systems Integration Project: Progress Report
EXECUTIVE SUMMARY	<p>Since the Executive Committee authorised the project on 29 July 2015 there has been a significant amount of activity preparing for procurement of the necessary software.</p> <p>These include:</p> <ul style="list-style-type: none"> • Business Requirements & Technical specification documentation preparation; • Staff recruitment; • Formation of Procurement task and finish group; • Supplier day and product research; • Tender documentation preparation.
ACTION	For information.
RECOMMENDATIONS	That the report is noted.
RISK MANAGEMENT	The project risks will be contained within a project risk register. The governance of this register, including escalations will be in line with existing service policy.
FINANCIAL IMPLICATIONS	There are no further financial implications related to the project identified in this paper.
LEGAL IMPLICATIONS	There are no further legal implications related to the project identified in this paper.
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	Opportunities for collaboration have been actively sought and considered during this procurement phase of the project.
HEALTH AND SAFETY	No Health and Safety implications perceived at this time.
EQUALITY AND DIVERSITY	No Equality and Diversity implications identified at this time.

<p>USE OF RESOURCES</p>	<p>The project is now managed by the Project Manager. The project manager is proactively using existing skills and experience within the workforce to move the project forward.</p> <p>Ownership of and the development of the specifications is being achieved through using a task and finish group made up of those who will be end users of the system.</p> <p>The use of resources are covered in detail in the BASI business case.</p> <p>The project progress and exception reporting will be through the project manager who will lead all the work-stream and will also be responsible for delivering the project's communication strategy.</p>
<p>PROVENANCE SECTION & BACKGROUND PAPERS</p>	<p>Background</p> <p>As part of the ICT Strategy 2014-2019 an independent review of systems integration was commissioned. An external consultant undertook this task and delivered a business case which was formally agreed to be progressed by the Executive Committee Meeting 29 July 2015.</p> <p>The project is scheduled to be delivered in phases over a two year period.</p> <p>Background Papers</p> <ul style="list-style-type: none"> • KIS Strategy 2014-2019 • Business and Systems Terms of Reference • Business and Systems Integration Business case • Business and Systems Integration Project: Governance Reporting Arrangements (18 November 2015)
<p>APPENDICES</p>	<p>Appendix A: Progress Report</p> <p>Appendix B: Copy of Paper to Executive Committee 18 November 2015</p>
<p>TIME REQUIRED</p>	<p>5 Minutes.</p>
<p>REPORT ORIGINATOR AND CONTACT</p>	<p>Anne-Marie Carter acarter@bucksfire.gov.uk 07966 886689</p>

Appendix A

Business and Systems Integration project Progress Report.

The project was agreed by the Executive Committee at the meeting 29 July 2015. Since then the following activities have been undertaken during the procurement phase of the project.

1. Completed Milestones:

1.1 Project Governance Arrangements

The arrangements for governing and reporting the projects have been finalised. As a result this is the first of the routine reports that the Overview and Audit Committee will receive. Details of the reporting arrangements and stakeholder group's terms of reference can be found in Appendix B.

1.2 Procurement Task and Finish Group

A task and finish group was formed in August. The group contained staff from each department effected by the project. The representatives were tasked with reviewing the draft technical specification.

The makeup of the task and finish group was derived from the completion of a detailed stakeholder analysis which will be used to develop the communications strategy as the project progresses through its various phases.

A supplier presentation day was held on the 8 September 2015. Presentations were received from four different software providers offering both dedicated finance packages and enterprise resource planning (ERP) systems. The presentations provided a useful insight into the capabilities of systems on offer. As a result of the presentations members of the task and finish group were tasked with undertaking further research and investigations with other services (both fire and other public services).

The Business requirements and technical specification was completed and collated by the end of September.

1.3 Recruitment of Project Manager

Anne-Marie Carter was recruited as the project manager and started with the Service on 14 October 2015. There was a delay in recruiting the project manager as the decision was made to go to market twice after the first recruitment exercise did not result in a finding a suitable candidate for this key role. Anne-Marie has a background of twenty years' experience in programme management. Her last role before joining the Service was head of transformation for Tesco Telecom.

2. Work in Progress

At the time of completing this report the current activities are underway in relation to procuring the necessary software.

2.1 Route to Market

The Head of Procurement has been undertaking market research and researching options for the best route for purchasing the necessary software. Broadly the routes to be considered are purchase through a framework, gateway solution or a single stage OJEU process. This decision is dictated to somewhat by the division of the purchase into lots based on the finance solution and ERP.

2.2 Investigation into Collaboration

Discussions with our partner services in the Thames Valley have been had to investigate opportunities for collaboration with our obvious partners.

Oxfordshire Fire and Rescue Service are not in a position to join us in collaboration through a combination of being tied to Oxford County Council systems and their own local solutions being developed with other suppliers.

Royal Berkshire Fire and Rescue Service (RBFRS) are not in a position to collaborate in the procurement of a finance package for the foreseeable future. BFRS will look to develop a relationship with the eventual successful provider for this solution with a view to keeping the door open for RBFRS in the future to join us if they wish.

RBFRS are likely to be in a position to require new software solutions common to some of those featured in our specification for the ERP. At the time of writing this report this is being actively explored to undertake a joint single stage OJEU process with a lot arrangement that can fulfil both services' needs. This will allow potential for a collaborative approach to training, implementation, commonality of procedures and cost sharing.

A possible collaboration with Oxford City Council and Reading Borough Council was investigated towards the end of October. The decision was made not to progress this as their specifications were significantly different to ours and there were concerns from our point of view around timings and the amount of influence we would have on decisions.

2.3 Tender Documentation

At the time of authoring this report the tender documentation is scheduled to be drafted by the 5 November 2015. This will then be presented to the stakeholder group for sign off at a meeting scheduled for 13 November 2015. Final amendments can then be actioned and consulted on with potential collaborative partners and legal. This will enable the Service to commence the procurement processes at the beginning of December with a view to contract award before the end of January for both Finance and ERP systems.

Business and Systems Integration Project: Progress Report

TASK	Oct-15	Nov-15					Dec-15					Jan-16				Dec-15	Jan-16
WK commencing	02-Nov	09-Nov	16-Nov	23-Nov	30-Nov	07-Dec	14-Dec	21-Dec	28-Dec	04-Jan	11-Jan	18-Jan	25-Jan	01-Feb	08-Feb	15-Feb	
Go Decision																	
Select Project Team																	
Create project documentation																	
Review requirements																	
Sign off requirements																	
Complete Procurement Specification document																	
Invitation to tender document signed off																	
Invitation to tender sent out (30th Nov)																	
Suppliers review and respond (30 working days)																	
Invitation to tender closing date (15th Jan)																	
Tender presentations																	
Tender review																	
Notify suppliers (29th Jan)																	
Standstill period																	
Appoint Supplier																	

2.4 Business Systems Analyst

At the time of authoring this report an advert has been posted for the Business Systems Analyst. This advert is due to close on 5 November 2015 with interviews scheduled for the 13 November 2015.

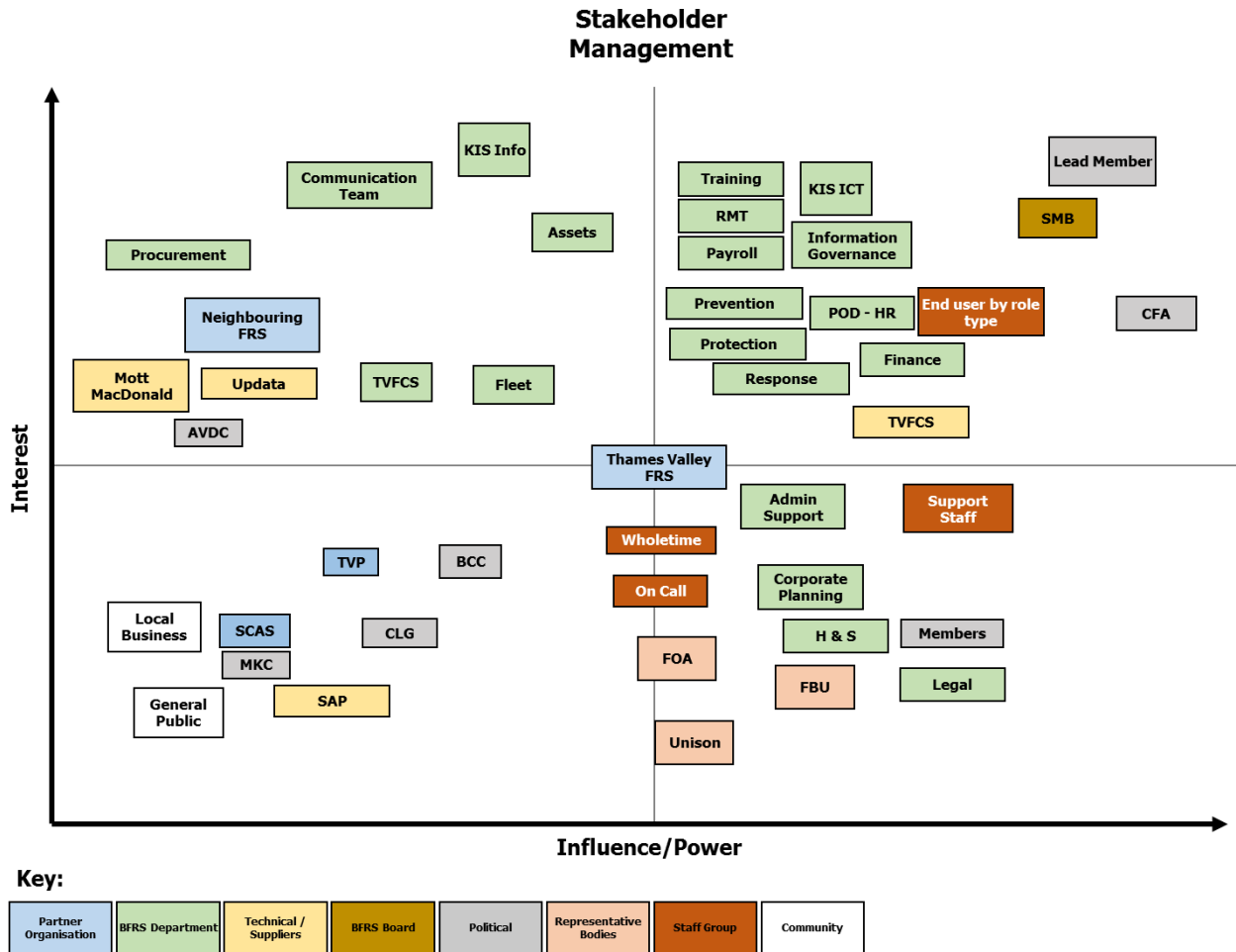
2.5 Communications Strategy

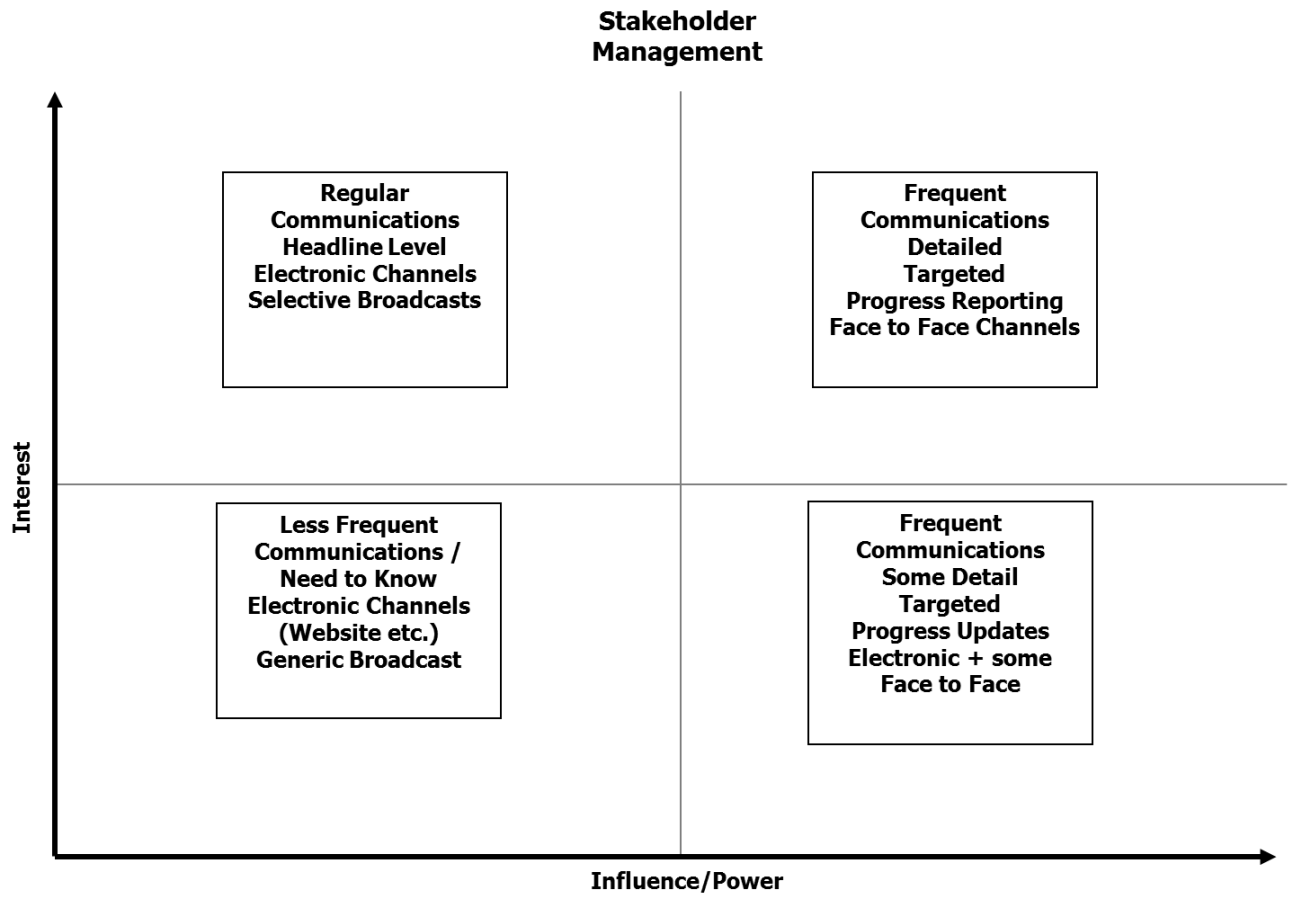
A stakeholder analysis has been undertaken and the project manager has been tasked with developing this into a detailed communications strategy based on the phasing of the project.

Reporting schedule:

	15/16	16/17			
	Q4	Q1	Q2	Q3	Q4
Business transformation Board	28 Jan 2016	Tbc	Tbc	Tbc	Tbc
Senior Management Board	16 Feb 2016	Tbc	Tbc	Tbc	Tbc
Overview & Audit Committee	9 Mar 2016	Tbc	Tbc	tbc	Tbc

Stakeholder Communication:







Buckinghamshire & Milton Keynes Fire Authority

MEETING	Executive Committee
DATE OF MEETING	18 November 2015
OFFICER	Julian Parsons, Head of Service Development
LEAD MEMBER	Councillor Andy Dransfield
SUBJECT OF THE REPORT	Business and Systems Integration Project: Governance Reporting Arrangements
EXECUTIVE SUMMARY	At the Executive Committee meeting on Wednesday 29 July 2015, the business case for the Business and Systems Integration Project (BASI) was approved. The reporting arrangements for project governance are outlined as an organogram in Annex A.
ACTION	Decision.
RECOMMENDATIONS	It is recommended that the Overview and Audit Committee be the forum for receiving periodic reports from officers as to the progress of the BASI project.
RISK MANAGEMENT	The project risks will be contained within a project risk register. The governance of this register, including escalations will be in line with existing service policy.
FINANCIAL IMPLICATIONS	There are no financial implications related to this paper.
LEGAL IMPLICATIONS	There are no legal implications related to this paper.
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	Opportunities for collaboration will be sought during the term of the project.
HEALTH AND SAFETY	No Health and Safety implications perceived at this time.
EQUALITY AND DIVERSITY	No Equality & Diversity implications identified at this time.
USE OF RESOURCES	The use of resources are covered in detail in the BASI business case. The project progress and exception reporting will be through the project manager who will lead all the work-streams and will also be responsible for delivering the project's communication strategy.

	<p>These reports will be received by the project sponsors (Lynne Swift, David Sutherland and Area Commander Julian Parsons).</p> <p>Overall project reporting and scrutiny will then be received by the Business Transformation Board which is Chaired by the Chief Operating Officer. BASI project will be a standing item for the duration.</p> <p>In order to ensure Members receive suitable and timely reports from officers, it is proposed that written reports will be delivered periodically to the Overview and Audit Committee when key milestones in the project are scheduled to be reached.</p>
<p>PROVENANCE SECTION & BACKGROUND PAPERS</p>	<p>Background</p> <p>As part of the ICT Strategy 2014-2018 an independent review of systems integration was commissioned. External consultant Christine Burrige undertook this task and delivered a business case which was formally agreed to be progressed by the Fire Authority Executive Committee Meeting 29 July 2015.</p> <p>The project is scheduled to be delivered in phases over a two year period.</p> <p>Background Papers</p> <ul style="list-style-type: none"> • ICT Strategy 2014-2018 • Business and Systems Terms of Reference • Business and Systems Integration Business case
<p>APPENDICES</p>	<p>Appendix A: BASI Project Governance</p>
<p>TIME REQUIRED</p>	<p>5 Minutes.</p>
<p>REPORT ORIGINATOR AND CONTACT</p>	<p>Julian Parsons jparsons@bucksfire.gov.uk 07964 415055</p>

Appendix A

Business and Systems Integration Project Governance

1. Governance

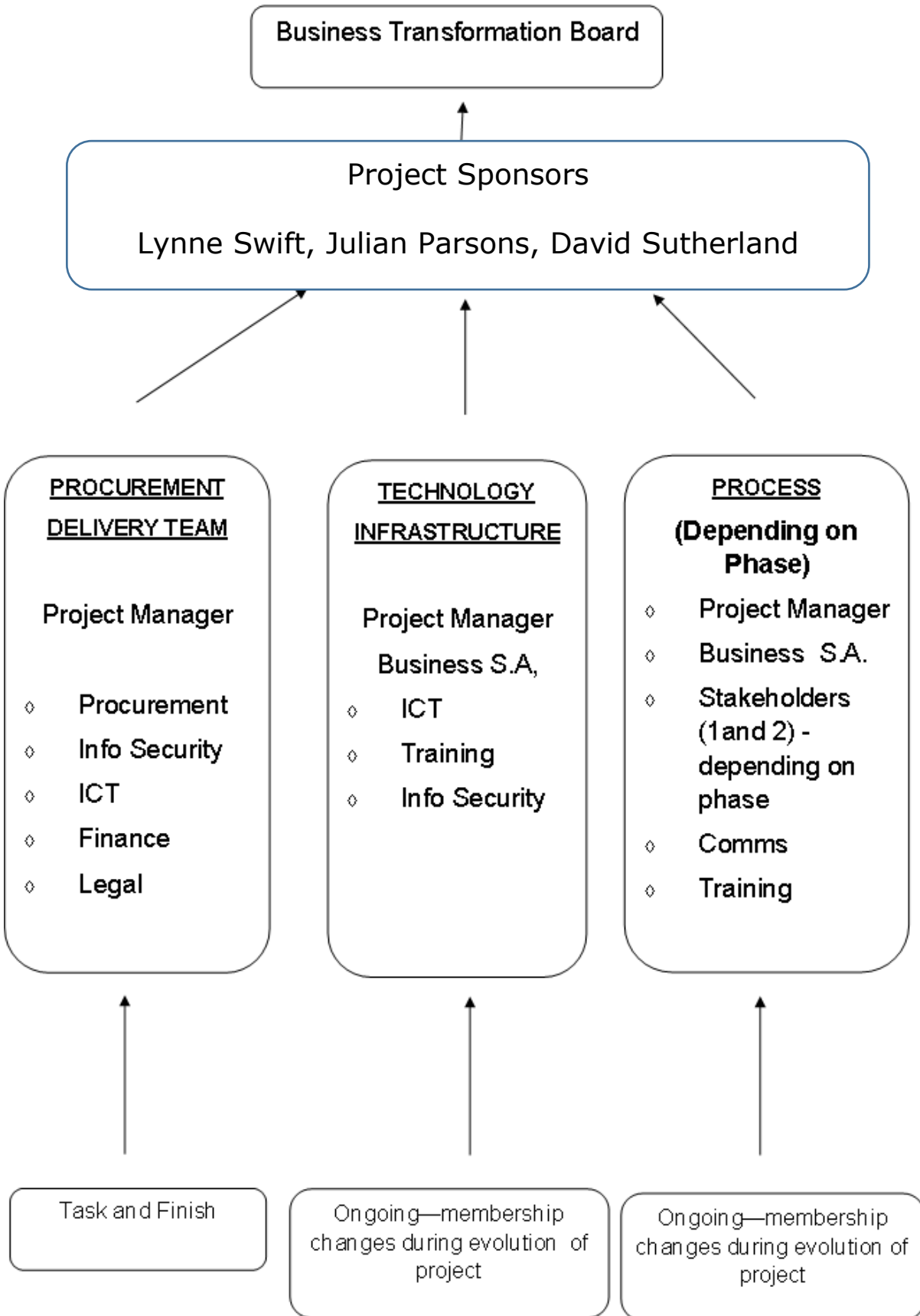
The governance arrangements are outlined in the organogram below. This is based on the governance model developed for the Service's transformation programme.

The governance arrangements are that the lines of reporting come through the various project work-streams via the project manager to the Business Transformation Board (BTB). While no formal Programme Board is believed to be required (the makeup would be virtually the same as BTB) the project sponsors may call periodic or ad hoc project review meetings with key senior managers. This would seem a logical as BTB supported the business case to SMB.

It should be noted that the procurement work stream is a 'task and finish' group. The other two work streams are likely to be more fluid in their membership as the project moves through its various identified implementation phases and requires commitment from different departments at different times. Terms of Reference for each work-stream are outlined in the later paragraphs in this paper.

The procurement work-stream has started to work on the finalisation and agreement of the documentation requirement by the procurement team. Early indications are that procurement can be achieved through either existing frameworks or gateway agreements depending on preferred systems. These are likely to be preferable than OJEU process due to timeframes. The procurement work stream has been formed under the initial leadership of the project sponsors in order to progress matters with a view to go to market in September.

Project Governance Framework



2. Procurement Delivery Work Stream Terms of Reference

Objectives

To identify, select and engage suppliers/vendors who can demonstrate the capability and capacity to develop and implement systems solutions that offer a best fit with the following elements of the approved BASI Business Case:

- Defined cost envelope;
- Preferred, four phase, two year delivery timescale;
- Delivery of the identified business benefits.

To identify opportunities to collaborate with external partner organisations, particularly within the Thames Valley, in the procurement, implementation, ongoing management, maintenance and/or development of systems included within the scope of the project and conform to the Authority's 'Principles of Collaboration'.

Scope & Exclusions

The scope of the project embraces all of the systems identified in the diagram shown at Appendix 1 (Phased Cutover) and includes the selection of suppliers/vendors for all specified software and hardware changes needed to deliver the benefits identified in the business case. Such changes to include where and as necessary:

- The renewal and or/upgrade of existing 'fit for purpose' systems;
- The replacement of sub-optimal and/or obsolete systems;
- Use of shared platforms and hosted facilities.

Key Deliverables

- A final, approved Statement of Business Requirements (including risk assessment of current systems to facilitate prioritisation of procurement/implementation);
- Vendor Request For Proposal (RFP) documents, including systems specification requirements;
- Approved vendor/supplier selection criteria
- Short list of potential vendors/suppliers
- Vendor/supplier contracts for approval

Project Governance & Management

The Project Manager will plan and manage the procurement process in conjunction with the Authority's Procurement Manager. Day to day management of the project and project team will be undertaken by a dedicated Project Manager who will report to the Project Sponsor. The procurement process will be managed and undertaken in compliance with the Authority's procurement policies and procedures including any relevant financial instructions.

The Project Manager will identify and agree key decision points in the procurement process with the Project Sponsors. The Project Sponsors will be responsible for ensuring that key 'gateway' decisions are properly mandated by the appropriate officer or Authority body (Board/Committee).

Stakeholder Management

The Project Manager will be responsible for preparing a stakeholder management plan for approval by the Project Sponsors and for implementing and maintaining this through the life-cycle of the project.

Risk Management

The Project Manager will be responsible for:

- identifying and evaluating key risks to the success of the project in conformance with the Authority's Risk Management Policy;
- identifying and agreeing with the Project Sponsors the means by which these risks will be mitigated and managed;
- maintaining a Project Risk Register;
- reporting the status of key project risks to the Project Sponsors and agreeing with them any further action to be taken in respect of risks deemed to be intolerable (e.g. escalation to the Business Transformation Board [BTB])

Progress Reporting

The Project Manager will report day to day progress and issues to the Project Sponsors. Formal progress reports, including identification and evaluation of exceptions, issues and intolerable risks will be reported to BTB on a quarterly basis and escalated to the SMB if the required corrective action falls outside of the collective mandates of BTB to approve.

3. Technology Infrastructure Work Stream Terms of Reference

Objectives

To implement changes to the Authority's ICT hardware and infrastructure necessary to support:

- realisation of the benefits identified in the BASI Business case;
- the potential to realise opportunities for collaboration with external partner agencies, particularly those operating within the Thames Valley area, in the implementation, ongoing management, maintenance and/or development of systems included within the scope of the project in conformance with the Authority's 'Principles of Collaboration'.

To deliver the required hardware/infrastructure changes within the time and budget parameters envisaged in the BASI Business Case.

Scope & Exclusions

The scope of the project embraces hardware/infrastructure support for all of the systems identified in the diagram shown at Appendix 1 (Phased Cutover) and includes the implementation of all hardware/infrastructure changes needed to deliver the benefits identified in the Business Case. Such changes to include where and as necessary:

- The renewal and or/upgrade of existing 'fit for purpose' hardware/infrastructure;

- The replacement of sub-optimal and/or obsolete hardware/infrastructure;
- Installation of hardware or infrastructure required to facilitate use of shared platforms and hosted facilities.

The management of an 'in-house' support for external vendors/suppliers commissioned to undertake the necessary development and installation work.

Key Deliverables

- Implementation/installation plans
- Impact and risk assessments for all proposed hardware and infrastructure changes
- User Acceptance Test (UAT) plans for all proposed hardware and infrastructure changes
- Delivery, installation and activation of hardware and infrastructure changes to approved specifications and satisfactory UAT.

Project Governance & Management

The Project Manager will plan and manage the technology infrastructure work stream in conjunction with the Authority's IT Manager and vendor/supplier representatives. Day to day management of the project and project team will be undertaken by a dedicated Project Manager who will report to the Project Sponsors.

The Project Manager will identify and agree key decision points in the hardware/infrastructure change process with the Project Sponsors. The Project Sponsors will be responsible for ensuring that key 'gateway' decisions are properly mandated by the appropriate Officer or Authority body (Board/Committee).

Stakeholder Management

The Project Manager will be responsible for preparing a stakeholder management plan for approval by the Project Sponsors and for implementing and maintaining this through the life-cycle of the project.

Risk Management

The Project Manager will be responsible for:

- identifying and evaluating key risks to the success of the project in conformance with the Authority's Risk Management Policy;
- identifying and agreeing with the Project Sponsors the means by which these risks will be mitigated and managed;
- maintaining a Project Risk Register;
- reporting the status of key project risks to the Project Sponsors and agreeing with them any further action to be taken in respect of risks deemed to be intolerable (e.g. escalation to the Business Transformation Board [BTB]).

Progress Reporting

The Project Manager will report day to day progress and issues to the Project Sponsors. Formal progress reports, including identification and evaluation of exceptions, issues and intolerable risks will be reported to BTB on a quarterly basis and escalated to the SMB if the required corrective action falls outside of the collective mandates of BTB to approve.

4. Business Process Work stream Terms of Reference

Objectives

To identify, specify and implement changes to the Authority's operational and business processes needed to deliver the benefits identified in the BASI Business Case.

To implement the changes within preferred timescale and budget associated with the preferred approach identified in the BASI Business Case.

To minimise the need for further development or customisation of new systems procured by the project by adapting Authority processes to the standard functionality offered by the new systems.

To identify opportunities to collaborate with external partner organisations, particularly within the Thames Valley, in adapting, redeveloping and operating processes included within the scope of the project in conformance with the Authority's 'Principles of Collaboration'.

Scope & Exclusions

The scope of the project embraces all processes hosted on the systems identified in the diagram shown at Appendix 1 (Phased Cut Over).

Key Deliverables

- End to end process maps for all operational and business processes affected by the scope of the project;
- Comparative analysis of current processes with new systems functionality;
- Gap analyses to facilitate identification of process changes required to adapt existing processes to new systems;
- Impact and risk assessments for all proposed process changes;
- Implementation Plans for all proposed process changes;
- User Acceptance Test Plans for all proposed process changes;
- Delivery of process changes to specification and satisfactory UAT.

Project Governance & Management

The Project Manager will plan and manage the process changes in conjunction with the relevant Authority process owners and managers. Day to day management of the project and project team will be undertaken by a dedicated Project Manager who will report to the Project Sponsors. The Project Manager will identify and agree key decision points in the process change work stream with the Project Sponsors. The Project Sponsors will be responsible for ensuring that key 'gateway' decisions are properly mandated by the appropriate officer or Authority body (Board/Committee).

Stakeholder Management

The Project Manager will be responsible for preparing a stakeholder management plan for approval by the Project Sponsors and for implementing and maintaining this through the life-cycle of the project.

Risk Management

The Project Manager will be responsible for:

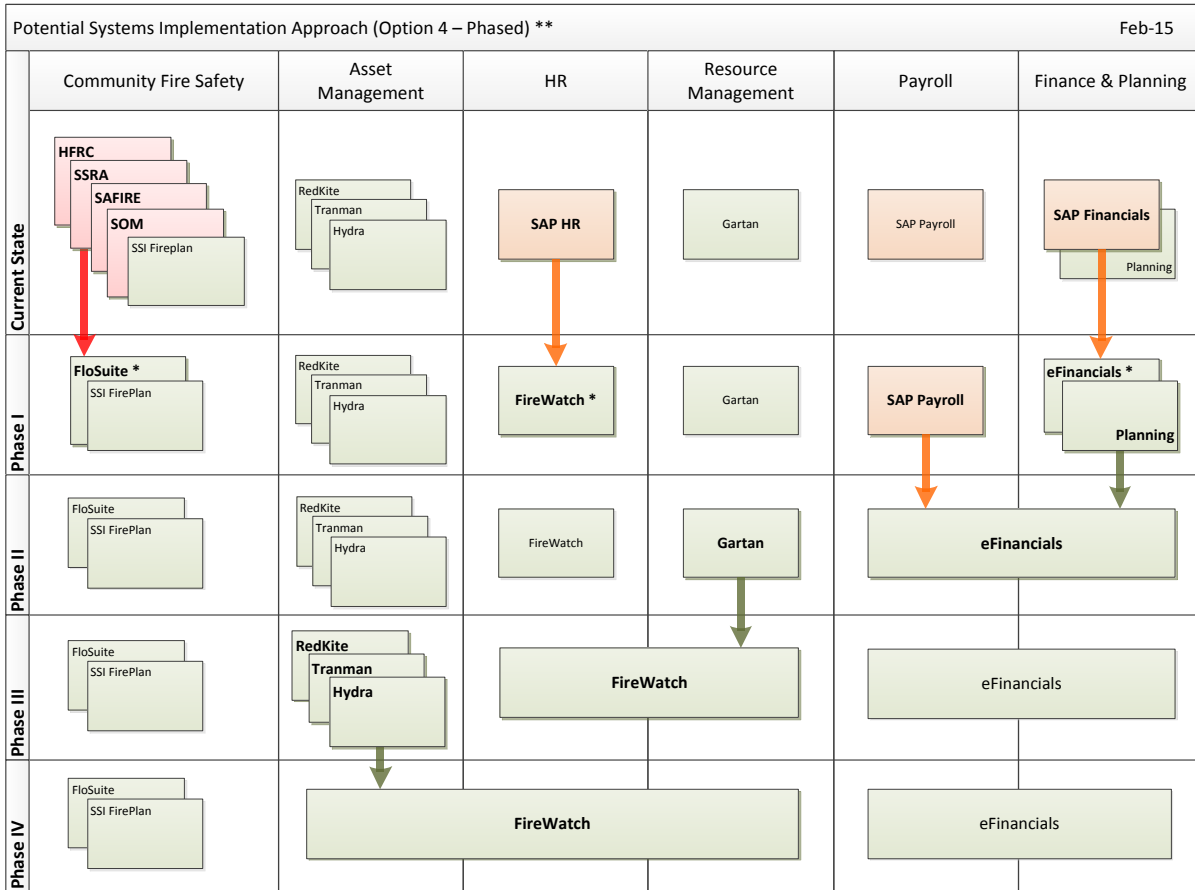
- identifying and evaluating key risks to the success of the project in conformance with the Authority's Risk Management Policy;
- identifying and agreeing with the Project Sponsors the means by which these risks will be mitigated and managed;
- maintaining a Project Risk Register;
- reporting the status of key project risks to the Project Sponsors and agreeing with them any further action to be taken in respect of risks deemed to be intolerable (e.g. escalation to the Business Transformation Board [BTB]).

Progress Reporting

The Project Manager will report day to day progress and issues to the Project Sponsors. Formal progress reports, including identification and evaluation of exceptions, issues and intolerable risks will be reported to BTB on a quarterly basis and escalated to the SMB if the required corrective action falls outside of the collective mandates of BTB to approve.

End of Report

Appendix 1



* Potential system; actual systems selection will be via BFRS procurement process.

** For simplicity, interfaces are not shown.

Key: Cutover to new system →

Rag: Red = Critical Risk Amber = High Dev Cost Green = Low Risk

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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	2 December 2015
OFFICER	Julian Parsons, Head of Service Development
LEAD MEMBER	Councillor Andy Dransfield
SUBJECT OF THE REPORT	KIS Strategy 2014-2019 Review & Progress Report
EXECUTIVE SUMMARY	<p>At the meeting of the Overview and Audit Committee on 23 September 2015, the Committee received a report from the Internal Auditors in respect of the audit Knowledge and Information Systems (KIS) Strategy 2014-2019.</p> <p>The report made two recommendations:</p> <ol style="list-style-type: none"> 1. The KIS Strategy to be reviewed and revised as appropriate, to provide a more concise view of the way forward and method of achieving this, and then presented to the Fire Authority for approval; 2. The Project portfolio to be updated removing business as usual activity, and projects that have been completed and reference made to Business and Systems Integration where projects are part of this activity. <p>A review of the strategy has been undertaken by the Head of Service Development, ICT Manager and KIS Helpdesk Manager. This review is attached at Annex A. The original strategy document has not been revised as the review determined that the contents are still fully valid. However, the review document has offered some clarity around the document's contents and vision.</p> <p>The review also contains an updated project portfolio fully reflecting the points raised in recommendation 2. This project portfolio is now the working document for reporting progress towards delivering the overall strategy for KIS.</p>
ACTION	For Information.
RECOMMENDATIONS	To note the content of the report.
RISK MANAGEMENT	A risk assessment is carried out as part of the planning stage for projects being put forward for

	implementation by BTB (Business Transformation Board). All projects will be subject to the annual revenue and capital growth bidding process (MTFP Budget Challenge).
FINANCIAL IMPLICATIONS	<p>The review of the strategy has not identified any further revenue or capital costs.</p> <p>Emerging projects identified to deliver the vision over the life of the strategy will be subjected to the usual scrutiny and budget challenge processes within the Service's governance arrangements.</p> <p>Within the review the need for a programme of hardware and software implementation to allow forward planning has been identified. Some of this would benefit from longer term capital expenditure planning. This will be subject to the usual scrutiny via the budget challenge process.</p>
LEGAL IMPLICATIONS	An efficient, secure and reliable KIS infrastructure is key to delivering many of the Service's statutory duties.
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	The updated Project Portfolio contains references to ongoing collaboration with Thames Valley FRSs. The most notable collaboration is in relation to joint procurement of a Gazetteer Management System for all three services.
HEALTH AND SAFETY	<p>There are several projects within the Project Portfolio which are designed to improve management of health and safety. Notably data projects which will improve access to essential risk information for operational personal attending incidents. The BASI project also contains elements which will improve our data capture around working hours and health and safety data.</p> <p>No adverse impacts are anticipated.</p>
EQUALITY AND DIVERSITY	The review has not materially altered the strategy from its original concept. Many of the aspects around the vision will facilitate equalities through greater and faster access to ICT systems than has been the case in the past.
USE OF RESOURCES	<p>Communication with stakeholders & system of internal control; Stakeholder involvement and internal control will be dependent upon each project within the overall strategy, this communication will be conducted by the individual leading the project and overseen by the ICT Manager or BTB, depending on the size of the specific project.</p> <p>The medium term financial strategy; Any impacts on finance, savings or increased</p>

	<p>expenditure will be managed through the MTFP process.</p> <p>The management of the asset base; ICT assets are managed within RedKite asset management system, any changes to equipment through purchase / redundancy will be reflected within this system.</p> <p>The arrangements to promote and ensure probity and propriety; Any necessary purchases of hardware, software or consultancy will be made in conjunction with the procurement department and adhering to the applicable purchasing rules.</p> <p>Environmental; Newer hardware, in general, is more efficient in its use of electricity and building space. Redundant equipment will be recycled through identified and regulated WEE contractors.</p>
<p>PROVENANCE SECTION & BACKGROUND PAPERS</p>	<p>Background</p> <p>This paper is in response to the observations of internal audit of the existing KIS Strategy. The contents of this audit can be reviewed at the links provided below:-</p> <p>Executive Committee Minutes 17 September 2014</p> <p>Further Background Papers</p> <p>ICT Strategy 2014-2019.</p> <p>Overview and Audit Committee Agenda 23 September 2015</p> <p>Overview and Audit Committee Minutes 23 September 2015</p>
<p>APPENDICES</p>	<p>Annex A: ICT Strategy 2014 to 2019 Review</p>
<p>TIME REQUIRED</p>	<p>10 Minutes.</p>
<p>REPORT ORIGINATOR AND CONTACT</p>	<p>Julian Parsons jparsons@bucksfire.gov.uk 07964 415055</p>

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Buckinghamshire & Milton Keynes Fire Authority

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KIS Strategy 2014-2019
Review & Progress Report
October 2015

Version Control

Issue	Status	Author	Changes	Date
v1.0	Draft for commentary	J Parsons	Document creation reflecting internal audit report Jun 2015	13/10/2015
v1.1	Initial draft review	J Parsons	Minor alterations and additions	29/10/2015
V2.0	Final version	J Parsons	Final alterations and additions	30/10/2015
V2.1	Final version	J Parsons	Final alterations and additions following SMB	11/11/2015
V2.2	Final Version	J Parsons	Final alterations and additions following O&A overview	17/11/2015

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1. Executive Summary

The review of the KIS Strategy has found that the structure and content of the strategy remains sound and fit for purpose.

The review has looked to satisfy the two recommendations of the internal audit report.

The review found that the KIS Strategy itself did not need rewriting but that there would be benefit in clarifying the linkages between the following:

- UK Government's ICT Strategic Principles (SP)
- Strategic Business Requirements (SBR)
- Key Issues (KI)
- Links to the Business and Systems Integration (BaSI) project.

This has been achieved by creating a new project portfolio. This document is a dynamic document designed to last the life of the strategy and allow a clear view of progress against projects and where they link to the SBR. This new project portfolio will also cater for projects that will emerge during the course of the strategy and, again, show clear linkages to SP, SBR, KI and BaSI.

Much progress has already been made in delivering the strategy. Part of the strategy has been to improve customer focus, resilience and service desk functionality. The KIS department now has an imbedded performance measurement system and these are reported within this review for information.

2. Background

The KIS Strategy was developed and authored in early 2014. The ethos of the KIS Strategy is to ensure that any work undertaken has clear links to both Buckinghamshire & Milton Keynes Fire & Rescue Service's (BMKFRS) SBR and UK Government's ICT strategic principles.

The SBRs were endorsed by the Senior Management Team and the overall strategy, by the Fire Authority Executive Committee of September 2014. Within the strategy the activities planned for ICT were expressed in an outcomes map in section 6.3 of the strategy document and are planned over short, medium, and long-term outcomes up to 2019.

In January 2015 BMKFRS's appointed internal auditors commenced an audit of the KIS strategy in line with the scope as outlined in Annex A of their report dated June 2015.

Overall the opinion of the auditors was as follows:

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

There were two recommendations made for further action:

Recommendation 1: High Priority to be actioned by 31st October 2015

KIS Strategy to be reviewed and revised as appropriate to provide a more concise view of the way forward and method of achieving this, and then presented to the Fire Authority for approval.

Recommendation 2: Medium Priority to be actioned by 31st October 2015

Project portfolio updated removing business as usual activity, and projects that have been completed and reference made to Business and Systems Integration projects where projects are part of this activity.

This review clarifies the strategy and details the findings of the review of the strategy below, therefore aiming to satisfy the auditor's observations contained in recommendation 1. Also contained within this document is a completely revised and updated project portfolio aiming to satisfy the auditor's observations contained in recommendation 2.

3. Review Findings

3.1 Overall

The KIS Strategy 2014-19 is a detailed root and branch review of the position of the KIS department and identified the specific strategic drivers for the strategy. The strategy detailed the relevant UK Government Strategic Principles and the accepted Strategic Business Requirements.

Through an analysis of the then current situation, 34 Key Issues were identified.

An outcome of the review was that the strategy needed to be clearer with regard to its overall mission statement for the department. The below mission statement has been developed to capture the direction of travel for KIS for the duration of the strategy.

The KIS department will deliver integrated solutions on robust, resilient and secure platforms. Wherever prudent, solutions should be remotely hosted or cloud-based. The applications, where appropriate, should be accessible through a range of modern mobile technologies. KIS functions will be supported by a team of cross-skilled, well-trained, and continuously developing technicians with a strong customer focus. Where possible services will be delivered through collaboration.

3.2 Strategic Principles

The UK Government's strategic principles for ICT are still relevant and should be contained within the project portfolio to demonstrate compliance.

3.3 Strategic Business Requirements

The Service's SBRs for KIS are still relevant and the department mission statement compliment them. Progress against delivering these SBRs are recorded in the project portfolio section on SBRs.

What has been identified is that many of the SBRs are being progressed or delivered. It has also been identified that some will always form part of continuous improvement of either the departmental or the Service's needs.

3.4 Key Issues

As a result of the root and branch review, 34 key issues were identified. A review of these key issues has noted those where progress has been made. Also recorded are those where work is still progressing to resolve them. The detail of this progress is contained within the project portfolio section on key issues.

3.5 Outcomes Map and Strategic Themes and Sourcing Options.

The seven strategic themes detailed in section 6 of the strategy have been reviewed and found to be still relevant. These themes have been cross mapped in the project portfolio.

Within section 6 there is commentary on sourcing options of ICT services. Broadly these are stated as being:

- a. In house provision
- b. Sharing services with other organisations
- c. Wholesale outsourcing
- d. Accessing Services via the cloud.

Currently the bulk of the provision of KIS services remains in house and this was probably more the case at the time the strategy was authored. Since the acceptance of the strategy the following developments have taken place.

- Thames Valley Fire Control Services is now live and an example of sharing services with other organisations,
- The Thames Valley fire services are collaborating on the purchase of a new gazetteer management information system. A proposal for BMKFRS to manage the system and updates to the combined control is currently being negotiated,
- The upgrade intranet service is now remotely hosted,
- The upgrade of the health & safety system will be remotely hosted,
- Tender documentation for the BaSI project will have weighted scoring based on the provider's ability to provide remote hosting.
- A report into the feasibility for outsourcing server functions has been commissioned and received. Whilst it is not recommended to outsource servers at this time there were a number of supporting recommendations around software outsourcing and the potential benefits,
- Outsourcing of disaster recovery options are being developed aligned with the Milton Keynes hub project.

No changes to the outcome map are deemed necessary as this has been superseded by a revised project portfolio.

4. New Project Portfolio

The below tables are taken from the new projects portfolio. This document is a dynamic document designed to last the life of the strategy and allow a clear view of progress against projects and where they link to the SBRs. This new project portfolio will also cater for projects that will emerge during the course of the strategy and, again, show clear linkages to SP, SBR, KI and BaSI.

The activities were originally mapped in the Projects Portfolio within section 7 of the KIS Strategy document. The Project Portfolio is broken down into seven strategic themes:

- 1) Public Safety – Prevention, Protection and Response (PS)
- 2) ICT Development (ICT)
- 3) Support Systems (S)
- 4) Cash Saving (CS)
- 5) Governance (G)
- 6) Organisational Development (OD)
- 7) Communication (C)

In turn, each activity is then cross-referenced with relevant SBRs and SPs. In doing so, this demonstrates the direction of travel for the ICT department to deliver integrated solutions on robust, resilient and secure platforms. Wherever possible, solutions should be remotely hosted or cloud-based. The applications where appropriate, should be accessible through a range of modern mobile technologies. ICT will be supported by a team of cross-skilled, well-trained, and continuously developing technicians with a strong customer focus.

4.1 Updated Gantt Chart

Strategic Theme	Project	by Apr 2015	by Aug 2015	by Apr 2016	by Apr 2017	by Apr 2018	by Apr 2019	Comments
Public Safety	PS1 – 3							Completed
	PS4							On going
	PS5							Linked to BaSI
	PS6,7							Gartan payroll delivered. Further integration linked to BaSI
ICT	ICT1							BAU
	ICT2							Completed
	ICT3							On going
	ICT4,10							Completed
	ICT5,6							Further developments reflected by technology advancements
	ICT7							Completed
	ICT8							On going
	ICT9							Completed
	ICT11							Restructure and skills developed. Ongoing skill development and CPD BAU
	ICT12							Completed
	ICT13							Continuing to be developed
	ICT14							Established and delivering
	ICT15							On-going
	ICT16							To be commenced subject to MTFP bid successful
	ICT17							Completed
	ICT18							Completed
	ICT19							Scheduled to be completed April 2016
	ICT20							Scheduled to be completed December 2016
Systems Support	S1							On going
	S2,3							Delivered
	S4							Delivered
	S5							Scheduled to be completed December 2016
Real Cashable Savings	CS1							BAU
Governance	G1							Scheduled to be completed December 2016
Organisational Development	OD1							Delivered and now BAU
Communications	C1							Delivered

4.2 Live Projects

Strategic Theme	Strategic Principles	BaSI Link	Outcome	Strategic Business Requirement	Progress	Target Date	RAG Status
PS3	2	No	This project will ensure that all information necessary to support mobilisation and response is joined-up, coherent and readily available at the point of delivery. This will include site-specific risk information, gazetteer mapping information, satellite navigation, crash information and hazardous chemical information.	Pr4a-c, C6	In progress GMS progressed as TVFCS collaboration TBC by 31/03/16, Sat Nav is out of scope for MDT's all other aspects of the project have been delivered	Apr-16	
PS4	1,4	No	This project will develop the necessary support to provide management information, record and measure performance, and develop intelligence around all aspects of the Service.	C3, C6, T2, T8	Viper performance management system purchased build currently progressing roll out - go live planned 01 - 04 / 2016	Apr-16	
PS5	1, 2	Yes	This project will examine and re-engineer the processes involved in the Home Fire Risk Check and Fire Safety Inspections, to streamline the processes end-to-end, automate them, and eliminate or significantly reduce manual data entry.	Pr4, T3-T8	Hardware purchased and rolled out, software provision linked to BaSI project	Linked to BaSI Timeline	

Strategic Theme	Strategic Principles	BaSI Link	Outcome	Strategic Business Requirement	Progress	Target Date	RAG Status
PS7	1, 2	Yes	This project will ensure that operational rostering is electronically linked with payroll and other human resources functions.	Pr4, T5, T6	Gartan now delivers this BaSI project will deliver this to all and link through to payroll	Phase 2 under consideration for progression. Linked to BaSI	
PS8	2, 3, 4	No	Emerging Project - Replacement of Gazetteer Management System	C6a/b, PR4a/b/c, T5, T6, T7, T8	Requirement was identified to replace existing system, which was no longer capable of supporting address point data for TVFCS. Progress is that the business case has been approved by BTB Sep-15. RBFRS agreed to collaborative approach, OFRS expected to make same decision. RFP documentation completed and budget identified.	Apr-16	

Strategic Theme	Strategic Principles	BaSI Link	Outcome	Strategic Business Requirement	Progress	Target Date	RAG Status
PS9	1, 2, 3, 4	No	Emerging Project - Mobilising Systems refresh	C3, S8, T4, PR2	Existing station end turnout systems and appliance mobile data terminals require refreshing in order to maintain and enhance overall resilience. Currently following risk assessed refresh programme.	Dec-16	
ICT3	1,2,3,4		This project will research and establish a coherent and consistent corporate information store (data warehouse or similar), based on common data definitions, single data entry with multiple use, and the overarching objective of ensuring that applications are appropriately joined up. This will include the corporate gazetteer and other graphical information systems.	T2-T8, C3-C6, S7-S8	This project have now been superseded by BaSI. The need for a data warehouse will be captured within the two database systems. The corporate gazetteer and GIS will be dealt with under the GMS	Linked to BaSI Timeline	

Strategic Theme	Strategic Principles	BaSI Link	Outcome	Strategic Business Requirement	Progress	Target Date	RAG Status
ICT8	1, 2, 3	Yes	This project will span across all functional areas within the Service, and lead to an integrated and costed portfolio of ICT requirements (cross-referenced to the endorsed Strategic Business Requirements, the outcomes, and the identified issues), and optimisation of the development of applications in support of all functions.	Pr3, C3-C6	This work will be captured by the Business Systems Analyst as part of BaSI and returned to BAU on completion	Not Started. Programmed to run to 04/17	
ICT11	1, 3	Yes	This project will provide all necessary training for the new ICT environment, starting with a training needs analysis.	P2, P4	Transferred to BAU opportunity to re-skill as part of BaSI roll out	Linked to BaSI Timeline	
ICT15	1, 4	No	This project will review the risk scenarios, and establish an optimal disaster recovery process.	Pr2	DR site established, requires relocating in line with MK station build	Jul-17	

Strategic Theme	Strategic Principles	BaSI Link	Outcome	Strategic Business Requirement	Progress	Target Date	RAG Status
ICT16	1, 2, 3, 4	No	Emerging Project - ICT WAN network bandwidth increase	T4, T8	Pinch points identified within current WAN - existing project such as telephony require improvement before completion. MTFP bid approved, and work commencing Oct-15	Mar-16	Not started until MTFP bid agreed
ICT19	2, 3, 4	No	Emerging Project - Outsourcing Wireless Network Infrastructure	T2, T4, T6, T7, T8, C3, C4a/b, C6a/b	Current wireless network to be managed by existing WAN network supplier, in order to enhance stability and security of network. MTFP bid raised.	Apr-16	Not started until MTFP bid agreed
ICT20	2, 3, 4	No	Emerging Project - Document Management collaboration with RBFRS	C3, C4a/b, C6a/b, T7, T8	RBFRS identified and are now implementing document management system under Compliance Management supervision. BMKFRS to monitor with a view to adopt.	Dec-16	Not started

Strategic Theme	Strategic Principles	BaSI Link	Outcome	Strategic Business Requirement	Progress	Target Date	RAG Status
G1	4	No	This project will establish robust mechanisms to ensure that all aspects of ICT management and development are handled in a robust, coherent, systematic manner.		Working with internal compliance to follow ISO27001 standard	Sep-16	

4.3 Archived Projects

Strategic Theme	Strategic Principles	BaSI Link	Outcome	Strategic Business Requirement	Progress	Target Date	RAG Status
PS1	2.3.4	No	This project will ensure that BFRS integrates with the Combined Fire Control Project, at least at a Basic level, in a timely, efficient and effective manner	T2 - T8	Delivered	Apr-15	
PS2	2.3.4	No	This project will examine and re-engineer the ICT aspects of the mobilisation and response processes. The focus will be on integrating optimally with the Combined Fire Control initiative, using common or interoperable applications where possible, reducing manual parts of the processes, eliminating multiple entry of the same information, and joining-up processes. The project will ensure that the mobilising application (currently Vision) is integrated and harmonised with the application for determining staff and equipment availability and rota management (currently Gartan), and any other relevant applications.	S7, S8, C6, Pr4, T5	Delivered	Apr-15	

Strategic Theme	Strategic Principles	BaSI Link	Outcome	Strategic Business Requirement	Progress	Target Date	RAG Status
PS6	2.3.4	No	This project will establish self-service rostering.	Pr4, T5, T6	Gartan now delivers this	Completed 08/14	
ICT1	1,2,3	No	This project will ensure that the baseline ICT service delivery is maintained at a robust level.	S2/C1, C5	Transferred to business as usual, on-going performance monitoring	Completed post ICT Re-Organisation 06/15	
ICT2	1,2,3	No	This project will establish the necessary framework of ICT protocols and procedures (including ICT use, communication use, security and data protection) to govern the development and maintenance of all information management and ICT.	S2/C1, C5	Transferred to business as usual, on-going performance monitoring	Change control procedures in place and documented 06/15	
ICT4	1,2,3	No	This project will establish a fit-for-purpose, fast, robust, secure, efficient and effective wide area network (WAN), local area networks (LAN), and telephony, probably – subject to closer analysis – based on the Public Service Network, due to be available from 2013.	T2-T8	Delivered WAN, LAN connections to a PSN compliant level, Telephony due for completion 06/16.	Jun-16	

Strategic Theme	Strategic Principles	BaSI Link	Outcome	Strategic Business Requirement	Progress	Target Date	RAG Status
ICT5	1,2,3	No	This project will establish integrated, efficient and effective mobile communications - radio communication, mobile telephony, pagers, and mobile data handling - harmonised across the Service.	T2-T8	Changed mobile provider, and reduced costs / user frustrations considerably, we have consolidated pager provision and improved MDT	Completed	
ICT6	1,2,3	Yes	This project will rigorously examine the need for mobile working, and optimise the processes required to achieve this.	Pr4, T2-T8	Mobile working needs identified and incorporated into BaSI project	Completed 07/15	
ICT7	1,2,3	Yes	This project will document the current and planned ICT environment – including applications, systems, networks, processes, information, and interfaces.	T1	This works has started and is on-going, it is also BAU	On-Going	

Strategic Theme	Strategic Principles	BaSI Link	Outcome	Strategic Business Requirement	Progress	Target Date	RAG Status
ICT9	1,2,3	No	This project will examine the scope for development of the internet, intranet, and documentation management environment, which will involve purging the current document store of redundant material, establishing protocols for future usage, and expanding the use of the intranet/internet environment.	Pr4, C6, T2	Introduction of new Intranet and internet completed 06/15	Completed	
ICT10	1,2,3	No	This project will take forward the ICT hardware environment, including virtual servers, and standardised inter-working of desktop computers and portable devices.	T2-T4, T7-T8	Blue Steel completed, where opportunity arises we will move to hosted / cloud based solutions	Complete 06/14	
ICT12	1,2,3	No	This project will consider the best and most appropriate sourcing option for each component of the ICT service, including insourcing versus outsourcing, sharing services, making versus buying services, and use of the cloud.	Pr1, Pr7	Transferred to BAU	Completed 06/14	

Strategic Theme	Strategic Principles	BaSI Link	Outcome	Strategic Business Requirement	Progress	Target Date	RAG Status
ICT13	1,2,3	No	In this project, relationships with all existing and future suppliers will be managed in a tight and controlled manner. Duplicate and redundant contracts and services will be eliminated, and remaining suppliers rationalised.	Pr5	Transferred to BAU	Completed 06/14	
ICT14	1,2,3	No	This project will refine the service desk function, to review the current software against other candidate software, enhance performance reporting, and support change requests.	C2, C3, Pr4, T8	Transferred to BAU	Completed 10/14	
ICT17	1,2,3	No	Emerging Project - Server Hardware refresh	T4, T8	Station server hardware refresh, & new tech implemented, increasing network stability and bandwidth efficiency for station users.	Apr-15	
ICT18	1, 2, 3	Yes	This project will look at the options to outsourced cloud base infrastructure as deemed necessary based on business needs	S6, S1, S4	Report completed recommendations accepted looking for opportunities to outsource as they arise	Apr-15	

Strategic Theme	Strategic Principles	BaSI Link	Outcome	Strategic Business Requirement	Progress	Target Date	RAG Status
S1	1,4	Yes	This project will assess the current SAP applications support for the finance, personnel and payroll functions, and compare it for VFM and return on investment with other candidate applications meeting the same objectives. This will include front end (input) and back end (reporting) processes. If necessary, the finance, HR and payroll systems will be re-tendered against an outcome-based specification.	C4, C6, Pr4	Delivered as part of BaSI business case	Jul-15	
S2	1,4	No	This project will address training needs, including e-learning. With regard to SAP Phase 2 (training), this will need to take account of the findings from Project S1, and may prove to be unnecessary. However, nationally and regionally, the National Operating standards for fire fighters are to be based on e-learning modules. BFRS will therefore need to ensure that it has something in place in 2013 -14, so it will need an e learning project	C4, C6, Pr4	Project discontinued - no longer progressing with SAP	N/A	

Strategic Theme	Strategic Principles	BaSI Link	Outcome	Strategic Business Requirement	Progress	Target Date	RAG Status
			though Q1 2013.				
S3	1,4	No	This project will establish facilities enabling personnel to administer their own Basic HR functions. This project will also need to take account of the findings from Project S1	Pr4, T5,T6	Project discontinued - no longer progressing with SAP	N/A	
S4	1,4	No	This project will procure an asset management capability.		Red Kite system implemented and in use	Jun-14	

Strategic Theme	Strategic Principles	BaSI Link	Outcome	Strategic Business Requirement	Progress	Target Date	RAG Status
CS1	4	No	This project will critically examine the current spend on ICT, and the contracts and projects underway and planned, against the Strategic Business Requirements, and identify areas of waste and duplication of service provision. Many aspects of cash saving will also be addressed through the other projects in this portfolio.	Pr1, Pr7	ICT restructure delivered with cash savings realised, BaSI business case identifies significant cashable/non-cashable savings over project timeline. Transferred to BAU.	Complete 06/15	
OD1A	4	No	This project will examine, design and put in place the necessary organisation and roles to reflect a coherent information management and ICT function across the Service.	P1-P9	Completed with ICT restructure.	Jun-15	
OD1B	4	No	Subsequent to OD1a, the project will address ways of working, culture change, and performance.	P1-P9	Completed with ICT restructure, and monitored through Appraisal process	Jun-15	
OD2	3,4	No	This project will ensure on-going development of all staff, and the skill base, in line with the KIS Strategy. It will cover all ICT training, including classroom and online training, as well as ICT	P2,P4	Complete and now BAU. Remuneration now linked to individual development programme	Jun-15	

Strategic Theme	Strategic Principles	BaSI Link	Outcome	Strategic Business Requirement	Progress	Target Date	RAG Status
			support for operational training.				
C1	3,4	Yes	This project will establish and maintain the necessary communication mechanisms to ensure that developments in the ICT environment are clearly and simply communicated to all stakeholders.	C1-C6	Complete and now BAU. Established communication routes are utilised to update stakeholders and recorded through existing change control process. BaSI has communication strategy built through extensive stakeholder analysis.	BAU	

4.4 Progress against Strategic Business requirements

No	Key Issue	Progress
Strategy		
1	There is no up-to-date, comprehensive, coherent KIS Strategy for the organisation.	Resolved
2	The KIS Strategy has no clear ownership or senior sponsor.	Resolved
3	There is currently no effective ICT governance framework for direction, authorisation of ICT developments, applications development and management, or change management.	Resolved
4	Sponsorship and ownership of projects has often not been clear, and changes of personnel have led to orphan projects.	Resolved
5	BFRS lacks clear policy direction on the use of the internet, web access and social media sites, and its translation into a workable ICT practice.	To progress
Customers		
6	Personnel lack access to current and reliable information.	Linked to BaSI
7	Elected Members do not currently have access to the systems for performance monitoring, as required by the CEO/CFO.	On-going, to be resolved by roll-out of VIPER
8	Users state that the system response is often very slow, especially for remote working, but even within the HQ building, which has led to awkward "work around".	Resolved through Station End server refresh, using Intel BranchCache technology.
9	ICT support is not always as responsive as it should be to user requests, upgrade or development.	Vastly improved
10	Operational users believe that there is a lack of understanding of the requirements of a 365-24-7 emergency service, especially with regard to out-of-hours cover, and a lack of understanding of the risks of failure - <i>"a gulf of appreciation"</i> , as one user stated it. They point to a <i>"not down to us"</i> attitude. However, there are instances where the ICT Team have worked through the night to maintain an IT or Communication service, which is to be commended.	Vastly improved
11	Some non-operational users likewise have expressed the view that the ICT Team does not have an appreciation of what is involved in their work and does not follow-up very well.	Vastly improved
People		

No	Key Issue	Progress
12	Due to a lack of support capacity, very little preventative maintenance has been carried-out, with the result that there are many sudden failures requiring reactive action from the team. There is also no strategic term of replacement for computers, with the result that some are as old as 7 years.	Replacement Program in place
13	Whilst recognising the work being done by the various teams that are providing ICT services, a widely-held view is that there are inadequate skills, capability and capacity within the organisation to provide a more co-ordinated and comprehensive ICT function - including direction/management, systems analysis and design, information management, database management, supplier management, and SLA management - into the future.	ICT restructure, team development programme in place, and recruitment of Project Manager and Business Systems Analyst
14	It is not clear what resourcing requirements are required to support the Combined Control Room Project over the critical period to April 2014, or how much resource might be available in house, and how much will need to be procured from elsewhere.	Complete
15	The temporary contractual arrangements for most of the ICT team members has had, and will have, ramifications for staff motivation, retention, and the maintenance of a fit-for-purpose ICT complement.	Complete
16	There is inadequate resilience with regard to commitment to the organisation. There needs to be greater clarity about the support that is provided, both during office hours (08:00-18:30), and what on-call support is available for operational areas 24-7-365.	Complete
Process		
17	There is no clear process for articulating the business needs in a form that can be translated into agreed and endorsed ICT developments.	Resolved, updated portfolio
18	Remote working, an important capability especially for operational officers, is not working as it should be (although it is reportedly better than it was)	Resolved with implementation of Cisco remote working
19	A number of Basic elements of support are not provided – e.g. a help page on the intranet with responses to frequently asked questions, and a list of people to talk to on specific topics.	On-going
20	It is not clear what the expectations of the organisation actually are in terms of ICT coverage and support, nor the extent to which the expectations are being met.	Vastly improved

No	Key Issue	Progress
21	There is no formal programme of training and development for ICT personnel or those using ICT.	Resolved for ICT staff, other users BAU
22	Historically, much of the application development has not followed a rigorous development methodology, with many of the aspects of good application development not in place, including outcome-based functional specifications, project plans, and a co-ordinated process.	Vastly improved, BaSI Project governance
23	With a few exceptions, processes have not been documented across the organisation. There are also no architectures for data, information, systems, or applications, to record the ICT environment and guide its development.	On-going
Technology		
24	The ICT infrastructure and systems are often slow, unreliable and not easy to use.	Resolved
25	ICT systems are not joined-up and interoperable, resulting in multiple manual entry of the same information.	BaSI Project
26	System access is a major cause of frustration and irritation for many (though not all) members of the user community.	Resolved, with performance monitored through CSAT
27	There has been a recognised lack of investment over a number of years, and the infrastructure does not support the Service as it should.	Upgrade programme nearly complete
28	The Performance and Intelligence Unit (PIU), which has developed or is developing a number of applications, is worried about reputational risk to itself due to the perception of the user community when presented with poorly functioning applications due to poor infrastructure.	VIPER Project
29	Desktop upgrades are reportedly often not properly planned and implemented. Phased implementations sometimes leave desktops mutually incompatible, with applications and peripherals that no longer work.	Resolved through replacement programme
30	There are issues with the pagers issued to retained firefighting staff, because of patchy coverage, which can mean inefficient and potentially dangerous mobilisation. These problems apparently lead to the response that there is <i>"nothing you can do about that"</i> .	On-going, dated technology - wider issue across all FRSS

No	Key Issue	Progress
31	Poor communications mean that the reliability of remote access is still a significant issue. Connections frequently break down, meaning that users have to keep logging on with attendant delays, frustrations, and loss of productivity.	Resolved
32	In addition to the patchy performance of the network communications, the mobile phone system (Vodafone-based) is reported to have poor coverage across the county, meaning that it is often hard to sustain conversations. Mobile phones often do not work in the secondary control room (on the HQ site) or even in the HQ building. Note however that these buildings have metal roofs and walls, which is a major challenge for communications.	Resolved
33	Peripherals at stations are described by some users as poor.	Resolved through replacement programme
34	There is currently no inventory of the computer systems and applications in use across BFRS.	Resolved through Red kite system

4.5 Progress against Key Issues

No	Description with 2013/2014 status	Planned in 2014/2015
Strategy		
1	There is a clear direction, ownership and sponsorship of ICT based on clear policy from the SMT and an up-to-date, comprehensive, coherent KIS Strategy for the organisation	To achieve
2	ICT governance is effective, in the best interests of the Service, and at a level that it is unrestrictive to the business, whilst ensuring compliance and preventing malpractice	Current audit assessment is "Reasonable Assurance"
3	The ICT service has a constructive "voice at the table" at the appropriate level of seniority	Complete
4	The ICT service integrates with the Service's value for money and continuous improvement priorities	Progressing
5	The business needs of the organisation are supported in a proactive and positive manner, with business and ICT managers taking the Corporate Plans, and interpreting what they mean for ICT	Progressing
6	The ICT service is provided through the most economic, efficient and effective sourcing routes, with a clear position on insourcing and outsourcing, as well as specific technologies	Progressing
7	The ICT service is the centre of excellence that translates the strategy and policy into an action plan and helps to deliver it	Progressing
8	All necessary functionality is provided simply, speedily, and with mobility fully supported, thus enabling a flexible work force to work remotely	Progressing
Customers		
1	ICT governance is simple and effective (e.g. the organisation does not invest in new technology until a conscious decision is made that: the Service needs it; the Service doesn't currently have it; there is a sound business and financial case to support it); any new technology, wherever possible, integrates with and supports existing technologies	Progressing
2	Communication methods and tools are developed and maintained	Progressing
3	The 24/7/365 demands of Service Delivery are appreciated and supported, using priorities based on risk management	Completed within the current resources available

No	Description with 2013/2014 status	Planned in 2014/2015
4	The outcome-based needs of the customers (i.e. operational and non-operational users, citizens, Elected Members, Directors, Managers) are identified, articulated, understood, delivered and monitored in a way that is flexible, future proof, and in line with Corporate and ICT strategies and business plans	Progressing
5	The right balance is struck between usability and control of ICT systems, in which necessary controls are in place and ICT users understand their responsibilities to use the systems effectively, and to value the ICT service and systems (e.g. ICT system specification, use, security, data protection, and freedom of information)	Progressing
6	Operational risk information is always current, of high quality and available whilst responding to incidents, and management information more generally enables timely and sound decisions by managers	Complete – Successful roll out of new MDT's
People		
1	The ICT service is robustly supported by senior management, who help to develop solutions with the assistance of super users	Significantly improved
2	The ICT service has the right organisational structure, and is well-managed, motivated, recognised and rewarded, with high calibre leadership and management as well as high calibre and flexible technologists	Complete
3	ICT access is appropriate to managerial responsibility and/or role requirements	Complete
4	The ICT service is appropriately resourced, professional in its experience, credible in the eyes of its customers, and with the capacity to provide all necessary support and development;	Progressing some outstanding training and recruitment
5	The ICT service provides a check and balance mechanism, by examining any proposed ICT solutions for compliance with the KIS Strategy and advising accordingly	Delivered by departmental representation on BTB & PMB
6	The ICT service takes responsibility for the organisation being able to do its work, and provides solutions	Complete
7	The ICT service challenges and offers potential solutions where it believes that the organisation is not maximising its potential	Progressing
8	The ICT service is routinely up-skilled as requirements change and new technologies are identified	Progressing
9	The ICT service is customer-centric, supportive, approachable, engaging, enabling, and "can do"	Complete

No	Description with 2013/2014 status	Planned in 2014/2015
Processes		
1	Activities and contracts not aligned with the Strategic Business Requirements are stopped	Progressing
2	The Service has a reliable, robust and integrated solution for disaster recovery and business continuity	Progressing
3	A clear process is developed and maintained for articulating the business needs and business processes in a form that can be translated into agreed and endorsed ICT developments	PMB & BTB
4	ICT systems and processes are so good that they are invisible, joined-up as appropriate, and support the needs of the organisation in a user-friendly, fast, reliable, and interactive manner	Progressing evidenced by customer feedback
5	Contracts are proactively managed to ensure that what is agreed, is delivered	Evidence of improvements in contracts, looking to improve further
6	Project, programme and portfolio management are established and robust	Complete, evidenced by project portfolio and project manager for BaSI
7	All procurements of ICT products and services are driven by organisational needs, achieve value for money in terms of whole life costs, and meet business priorities	BAU activity
Technology		
1	Architectures are developed, documented and maintained for information, systems, networks, processes, data and applications to record the ICT environment, and guide its ongoing development	Progressing
2	Real time access to operational information is available in all endorsed modes, including desktops, laptops, pagers, mobile phones, and vehicle mobile data terminals	BAU activity
3	The ICT service is proactive in providing technology to take away the low value activities, and in doing so delivers better value for money	Expecting BaSI to deliver this
4	The Service has a reliable and robust infrastructure	Much improved – evidenced by performance stats
5	Re-keying of information is eliminated by automated processes and interfacing ICT systems, ensuring that data are accurate, reliable, consistent and current, and enabling the provision of timely reports and	Expecting BaSI to deliver this

No	Description with 2013/2014 status	Planned in 2014/2015
	performance information	
6	ICT systems and configurations interface electronically in a seamless manner, enabling the organisation to be joined up and standardised	Expecting BaSI to deliver some of this requires development in other areas
7	Access (as evaluated by customers) to all ICT applications within the organisation and between agencies is fast, simple, intuitive, reliable, responsive and secure	Internally delivered we are preparing for interaction with external agencies as required by the business
8	A high level of performance is available at all locations and patchy coverage is eliminated	Complete

5 Performance Data

5.1 Background and collection methodology

ICT have been collecting data on the performance of the department since the appointment of a Service Desk Manager in February 2012, the software used throughout this period has been Vivantio, a SaaS, commercially available help desk tool used by a number of different organisations. We have developed and improved the portal to make the collection, input and manipulation of data easier whilst maintaining the ability to report against it.

5.2 Data sets collected

We have four sets of statistics we use to indicate performance of the ITC function:-

Ticket Performance - The statistics collected from within Vivantio are hard facts length of time the call was open against the SLA (Service Level Agreement) in relation to the ticket priority, for example, is a statement of fact automatically calculated within the software.

Call Outs – We record and review the number of call outs (where the on call ICT Technician is paged outside of core hours) because:-

There could be welfare considerations if a colleague is called out repeatedly in the middle of the night.

The on-call ICT *should* only be called out for key operational issues, if the service is experiencing regular failures of this key equipment our performance as an organisation may be affected.

There is an effect on finance as the call out has an impact on the overtime budget.

Customer Satisfaction reports (CSAT) – This is soft (in that it is the customers perception) data supplied directly from the customer. When a service desk ticket is closed an email containing a link to an anonymous survey collated from within Vivantio is sent out to the customer. The answers to 3 direct questions this gives KIS ICT the opportunity to get direct feedback regarding the delivery of ICT services.

System Uptime – This is a measurement of the availability of key systems (outside of agreed maintenance windows) to the Service, due to the nature of our business any downtime is automatically an ICT Call Out to resolve and subsequently reviewed by the ICT Manager to identify the cause and prevent re-occurrence.

5.3 Use of data collected

The information provided from all four are collated and discussed weekly at KIS ICT Team meetings. Individual tickets, where issues have been identified, are discussed to improve performance, repeat tickets are investigated to put in place policies or procedures to prevent re-occurrence. The total number of tickets hitting the desk is reviewed to ensure that sufficient resources are available and deployed appropriately.

The figures are reviewed monthly by departmental colleagues at the Service Development / Transformation Management Meeting and provided on the iDrive for further review as necessary.

Q2 2015 ticket performance data

Objectives attached with Service Desk metrics below:

Ticket Summary for Q2 2015 (grouped by month, requests vs faults split view)

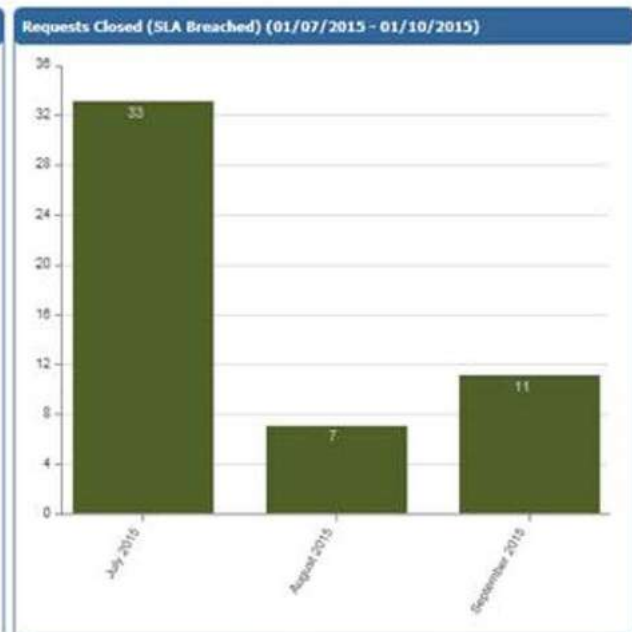
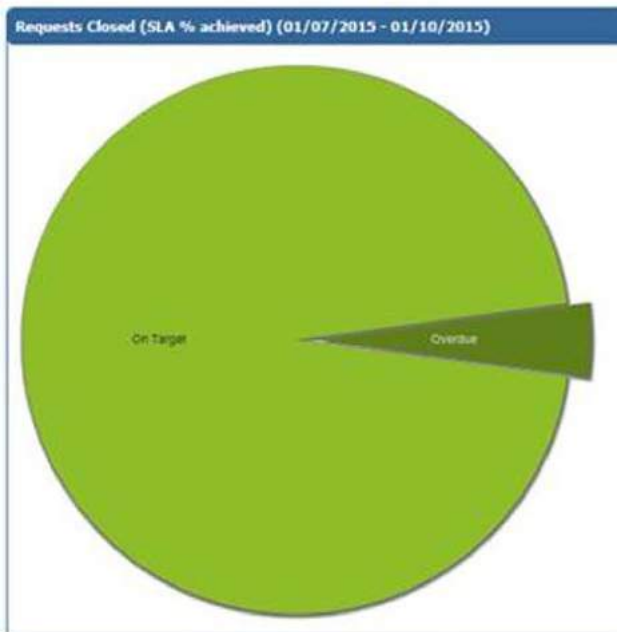
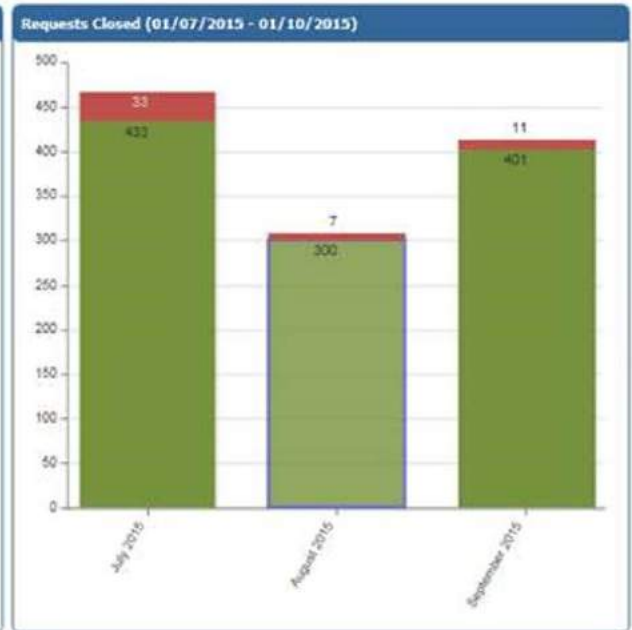
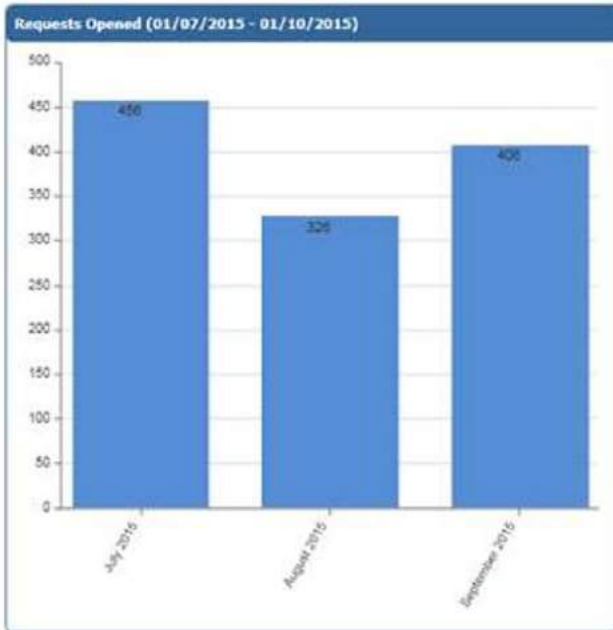
Request SLA 96%

Faults SLA 92%

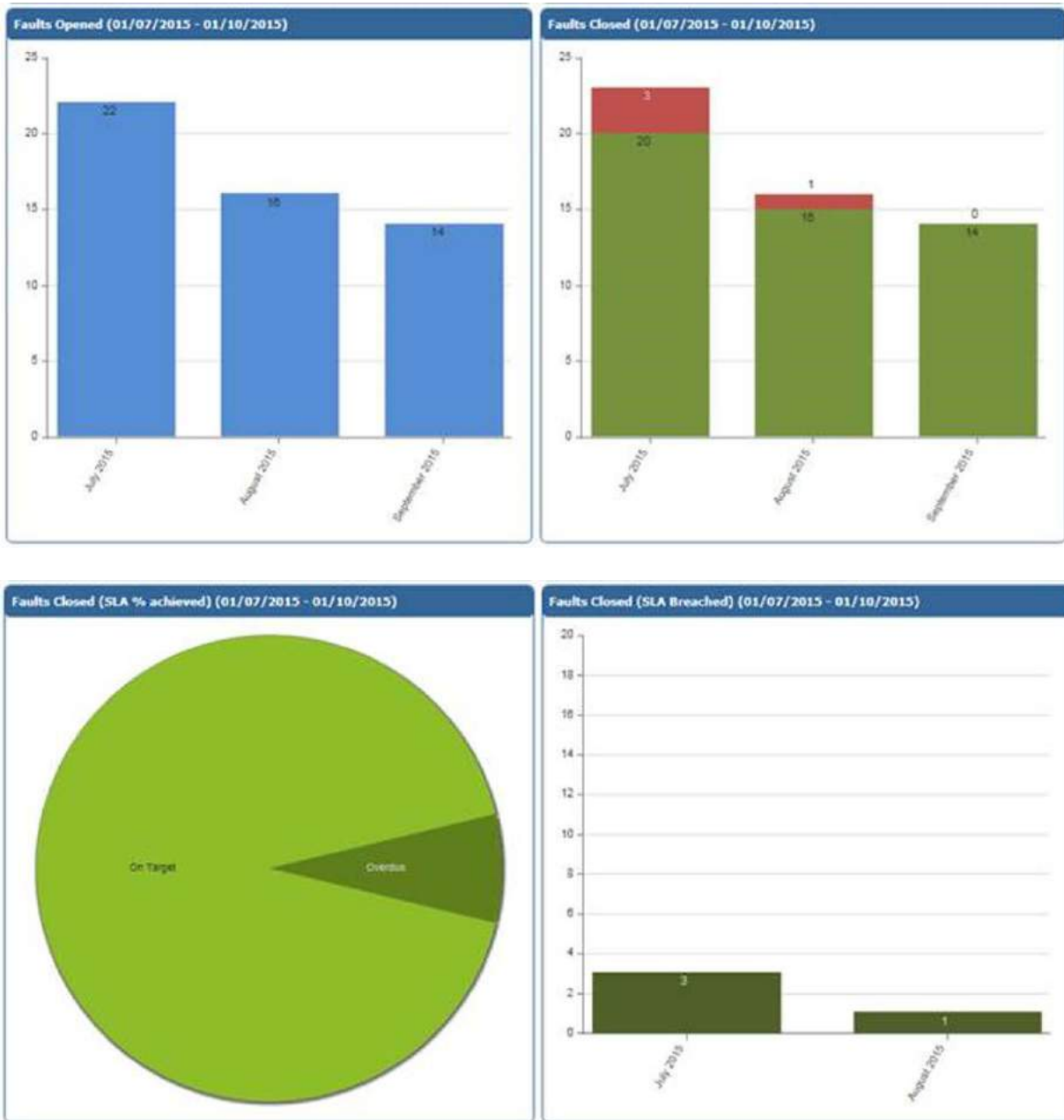
Overall SLA 95.5%

Ticket performance data

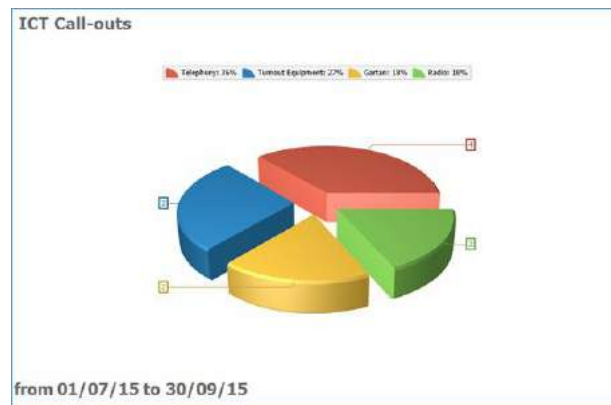
Requests – Where a customer has requested a particular piece of work for KIS ICT to perform.



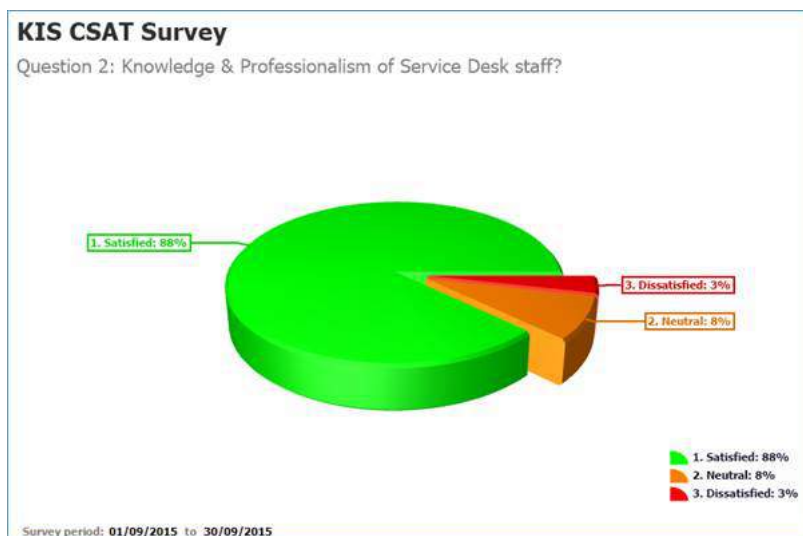
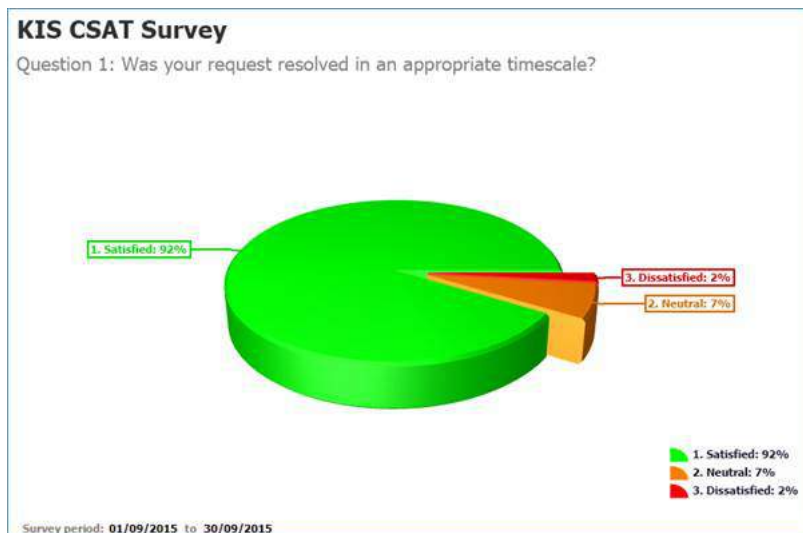
Faults – Where a specific issue has been identified by KIS ICT to resolve.

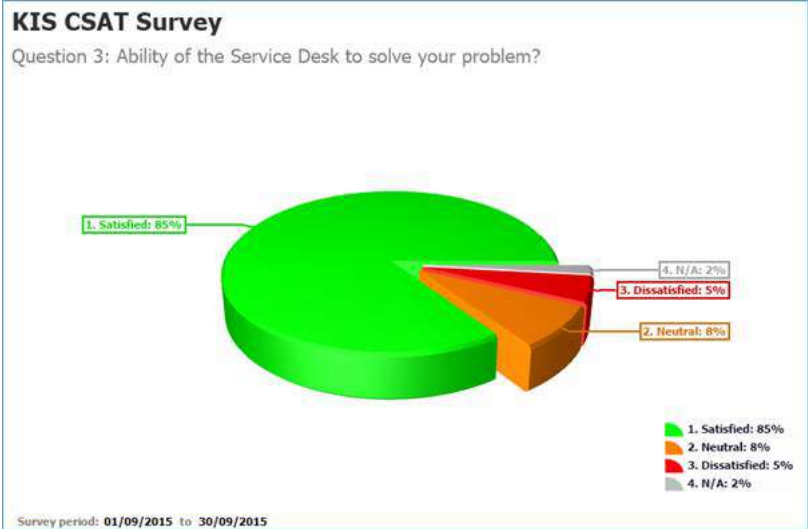


ICT Call-Outs for Q2 2015:



CSAT results for Q2 2015 (July to September, surveyed during last month of quarter):





System Uptime

