

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

5 September 2016

MEMBERS OF THE PRESS
AND PUBLIC

Please note the content of
Page 2 of this Agenda Pack

Dear Councillor

Your attendance is requested at a meeting of the **OVERVIEW AND AUDIT COMMITTEE of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY** to be held in Meeting Room 1, Fire and Rescue Headquarters, Stocklake, Aylesbury on **WEDNESDAY 14 SEPTEMBER 2016 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: Brunning, Clarke OBE, Exon, Glover, Huxley, Mallen, Teesdale and Wilson



MAKING YOU SAFER

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Recording of the Meeting

The Authority supports the principles of openness and transparency. It allows filming, recording and taking photographs at its meetings that are open to the public. Requests to take photographs or undertake audio or visual recordings either by members of the public or by the media should wherever possible be made to enquiries@bucksfire.gov.uk at least two working days before the meeting.

The Authority also allows the use of social networking websites and blogging to communicate with people about what is happening, as it happens.

Adjournment and Rights to Speak – Public

The Authority may, when members of the public are present, adjourn a Meeting to hear the views of the public on a particular agenda item. The proposal to adjourn must be moved by a Member, seconded and agreed by a majority of the Members present and voting.

Prior to inviting the public to speak, the Chairman should advise that they:

- (a) raise their hands to indicate their wish to speak at the invitation of the Chairman,
- (b) speak for no more than four minutes,
- (c) should only speak once unless the Chairman agrees otherwise.

The Chairman should resume the Meeting as soon as possible, with the agreement of the other Members present.

Adjournments do not form part of the Meeting and should be confined to times when the views of the public need to be heard.

Rights to Speak - Members

A Member of the constituent Councils who is not a Member of the Authority may attend Meetings of the Authority or its Committees to make a statement on behalf of the Member's constituents in the case of any item under discussion which directly affects the Member's division, with the prior consent of the Chairman of the Meeting which will not be unreasonably withheld. The Member's statement will not last longer than four minutes.

Where the Chairman of a Committee has agreed to extend an invitation to all Members of the Authority to attend when major matters of policy are being considered, a Member who is not a member of the Committee may attend and speak at such Meetings at the invitation of the Chairman of that Committee.

Questions

Members of the Authority, or its constituent councils, District, or Parish Councils may submit written questions prior to the Meeting to allow their full and proper consideration. Such questions shall be received by the Monitoring Officer to the Authority, *in writing or by fax*, at least two clear working days before the day of the Meeting of the Authority or the Committee.

OVERVIEW AND AUDIT COMMITTEE

TERMS OF REFERENCE

Overview

1. To review current and emerging organisational issues and make recommendations to the Executive Committee as appropriate.
2. To comment upon proposed new policies and make recommendations to the Executive Committee as appropriate.
3. To review issues referred by the Authority and its other bodies and make recommendations to those bodies as appropriate.
4. To make recommendations to the Executive Committee on:
 - (a) the Electronic Services Delivery Plan;
 - (b) the Brigade Personnel Strategy;
 - (c) Levels of Incident Response;
 - (d) the Corporate Risk Management Policy;
 - (e) the Authority's Information Policy; andother such policies and procedures as are required from time to time
5. To consider and make recommendations to the Authority on the Annual Treasury Management Strategy.

Audit

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

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

Governance

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

Risk

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

Employees

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

General

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

AGENDA

Item No:

1. Apologies

2. Minutes

To approve, and sign as a correct record, the Minutes of the meeting of the Committee held on 27 July 2016 (Item 2) **(Pages 9 - 18)**

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. RIPA Policy (Minute OA39 - 090316) – Nil Return

6. Appointment of Hearing and Appeal Sub Committees

It is recommended that:

1. a Hearing Sub Committee be established to determine in consultation with an Independent Person whether a Member of the Authority has failed to comply with the Authority's Code of Conduct and to recommend actions on behalf of the Overview and Audit Committee resulting from any such findings.
2. three Members be appointed to the Hearing Sub Committee.
3. an Appeals Sub Committee be established to adjudicate in consultation with an Independent Person on appeals from a Hearing Sub Committee on the grounds that:
 - a) the Authority's complaints procedure has been wrongly applied; or
 - b) new evidence has come to light since the hearing which, if disclosed to the Hearing Sub Committee, may result in a different outcome; or
 - c) the Hearing Sub Committee has misdirected itself in law.
such as to result in an unfair decision.
4. three Members not appointed to the Hearing Sub Committee be appointed to the Appeals Sub Committee.

Contact Officer: Graham Britten (Director of Legal and Governance) – 01296 744441

7. Internal Audit Report: Final Audit Report

To consider Item 7 **(Pages 19 - 42)**

8. Auditor Appointments

To consider Item 8 (**Pages 43 - 46**)

9. Corporate Risk Management

To consider Item 9 (**Pages 47 - 60**)

10. Independent Persons

To consider Item 10 (**Pages 61 - 64**)

11. Compliments and Complaints

To consider Item 11 (**Pages 65 - 72**)

12. Treasury Management Performance 2016/17 - Quarter 1

To consider Item 12 (**Pages 73 - 80**)

13. Business and Systems Integration Project: Progress Report

To consider Item 13 (**Pages 81 - 90**)

14. Date of Next Meeting

To note that the next meeting of the Committee will be held on Wednesday 7 December 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

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Minutes of the meeting of the OVERVIEW AND AUDIT COMMITTEE of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY held on WEDNESDAY 27 JULY 2016 at 10.00 am

Present: Councillors Brunning, Clarke OBE, Exon, Glover, Huxley, Mallen, Watson and Wilson

Officers: M Osborne (Deputy Chief Fire Officer), D Sutherland (Director of Finance and Assets), L Swift (Director of People and Organisational Development), J Parsons (Head of Service Development), M Hemming (Deputy Director of Finance and Assets), A Hussain (Technical Accountant) M Gibb (Internal Audit Manager), S Gowanlock (Corporate Planning Manager), A Carter (BASI Project Manager), C Newman (Performance Information Coordinator), M Ella (Geo-Spatial Mapping Officer), T D'Souza (Information Officer), G Barry (Information Governance and Compliance Manager), M Grindley (Ernst & Young), D Guest (Ernst & Young), S Wilson (Ernst & Young) and K Nellist (Democratic Services Officer)

Apologies: Councillor Teesdale

OA01 ELECTION OF CHAIRMAN

(Councillor Mallen presiding)

It was moved and seconded that Councillor Watson be elected Chairman of the Committee for 2016/17.

RESOLVED –

That Councillor Watson be elected as Chairman of the Committee for 2016/17.

OA02 APPOINTMENT OF VICE-CHAIRMAN

It was moved and seconded that Councillor Clarke OBE be appointed as Vice-Chairman of the Committee for 2016/17.

RESOLVED –

That Councillor Clarke OBE be appointed as Vice-Chairman of the Committee for 2016/17.

OA03 MINUTES

RESOLVED –

That the Minutes of the meeting of the Overview and Audit Committee held on 9 March 2016, be approved and signed by the Chairman as a correct record.

OA04 INTERNAL AUDIT REPORTS

a) Internal Audit Report: Final Audit Reports

The Internal Audit Manager advised that the purpose of this report was to update Members on the findings of the finalised Internal Audit reports issued since the last Overview and Audit Committee meeting.

There was one report, the administration of the Firefighters' Pension Scheme which was transferred from Buckinghamshire Council Pensions Team to West Yorkshire Pension Fund effective from 1 April 2016. The adequacy of controls for governance and transfer of the pension data risks were reviewed. Two issues were raised one being medium priority and one low priority.

A Member asked if Buckinghamshire County Council, as stated in their agreement, had charged for any substantial extra work. Members were advised that there was a software provider charge, but Buckinghamshire County Council had not charged for any additional costs.

RESOLVED –

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

b) Internal Audit Report: Update on Progress of audit recommendations

The Internal Audit Manager advised that the purpose of this report was to update Members on the progress of the implementation of audit recommendations made as at 6 June 2016.

In total there were 52 recommendations to report on, 45 had been fully implemented, 5 were on track but not yet due and 2 were not implemented and the due date revised. There were 3 recommendations that had not yet been fully implemented, but had been progressed.

There were no outstanding recommendations to bring to the attention of Members at this time and Internal Audit continued to actively monitor implementation of all outstanding recommendations throughout the year.

A Member asked if the HR People Management audit had now been completed. Members were advised it would be completed in September 2016 following a further consultation throughout the service and a rigorous review by Healthy and Safety.

A Member asked who Redkite were. Members were advised that Redkite was the company that provided the asset management system.

RESOLVED –

That the progress on implementation of recommendations be noted.

c) Internal Audit Report: Annual Audit Report

The Internal Audit Manager advised that the purpose of this report was to present the draft Annual Audit Report to Members.

The Chief Internal Auditor's opinion was that the Fire Authority's system of internal controls and risk management facilitates the effective exercise of the Authority's functions and this provided a reasonable level of assurance.

During 2015/16 there had been continued improvement to the system of internal control through the on-going development of policies and procedures covering the key control processes. This demonstrated a positive direction of travel towards robust and effective internal control and risk management that would facilitate the effective exercise of the Authority's functions.

A Member asked if the Authority could improve on a reasonable level of assurance. Members were advised that reasonable assurance was as good as it would get for an annual audit opinion as only a limited amount of work would be undertaken in a year (100 days a year).

A Member asked if this report was available to the public. Members were advised that it was part of the Annual Governance Statement and would be published on the website.

RESOLVED –

That the contents of the Annual Report are reviewed and noted.

OA05 ANNUAL GOVERNANCE STATEMENT 2015/16

The Deputy Director of Finance and Assets advised Members that the purpose of this report was to present the 2015/16 draft Annual Governance Statement for approval. This contained the progress on the implementation of the recommendations of the 2014/15 Annual Governance Statement and highlights recommendations for 2016/17.

RESOLVED –

1. That the draft Annual Governance Statement be approved as amended.
2. That the progress on the implementation of recommendations of the previous Annual Governance Statement be acknowledged.

3. That the priorities for 2016/17 be agreed as amended.

OA06

AUDIT RESULTS REPORT

The External Audit Manager advised Members that the Audit Results report was a summary of work that had been completed for the 15/16 financial statements.

The External Audit Manager 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 Audit Manager confirmed that an unqualified audit opinion on the financial statements would be issued, along with the Whole of Government Accounts. Once submitted, the Audit Certificate on completion of the Audit would also be issued.

The External Audit Manager explained to Members that there were four significant risks to the statement identified, Milne v GAD, Joint Control, risk of management of override and value for money risk. All risks had been reviewed and assessed and there were no matters to report from this work.

The External Audit Manager informed Members that, as they were aware, the current statutory deadline for the submission of audited accounts was 30 September, however, for the accounting year 2017/18 this would move to 31 July. He wanted to formally thank the teams for all their hard work in achieving this already for 2015/16.

A Member asked how the Auditors had significantly reduced the risk of disclosure error with regard to Milne v GAD. Members were advised that as the sum involved had been paid and the resulting grant received there was no impact to the accounts and no real risk to the pension fund itself.

A Member asked if there was an opinion on the adequacy of our internal audit arrangements and the Annual Governance Statement. Members were advised that the External Auditors do not carry out a detailed review of internal audit however, if there were concerns they would be raised. Only some aspects of the Annual Governance Statement were reviewed in any detail.

RESOLVED –

That the contents of the report be noted.

OA07

LETTER OF MANAGEMENT REPRESENTATION 2015/16

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

There was also a letter from the Chairman to Ernst & Young to provide them with assurance as to how the Overview and Audit Committee get assurance from the Management of the Authority.

RESOLVED –

That the Letter of Representation for the Authority be signed by the Director of Finance & Assets and the Chairman of the Committee.

OA08

ADOPTION OF THE AUDITED STATEMENT OF ACCOUNTS

The Director of Finance and Assets thanked Ernst & Young for helping the Authority to get to the excellent position of closing the statement of accounts early this year.

The Technical Accountant also thanked the Auditors and advised Members that the audit process had gone very smoothly this year and as previously mentioned, the statutory requirement was changing and the Authority would need to close its accounts and have them audited by 31 July for all financial years from 2017/18 onwards.

The Technical Accountant brought to Members attention an additional note that had been added to Item 30 - Events after the Balance Sheet Date. This was events that had taken place after the statement of accounts had been produced. The key event that took place was the EU Referendum on 23 June 2016, in which the UK public voted to leave by 52% to 48%. Since the Referendum there had been a volatility in the stock markets, exchange rates and interest rates, and some of the movements could potentially impact materially on amounts disclosed in the financial statements. The areas that it could potentially impact on were the value of land and buildings, the fair value of long term borrowing, the liability related to defined pension schemes and possibly unusable reserves. However, due to the recentness of the event, and the complexity and uncertainty of negotiating an exit, no estimate could be made of the value of the financial impact at this stage.

A Member asked a question concerning the calculation of depreciation on land and buildings. Members were advised that the Authority had to revalue assets to reflect market conditions (i.e. movement in prices) but also depreciate assets to reflect usage (i.e. as the building got older it would need repairs and that had to be reflected). The land and buildings were valued separately. Land does not depreciate, but is periodically revalued (which could be up or down depending on market conditions).

A Member asked should the Authority be concerned regarding the deficit on the provision of services which for 2015/16 amounted to £12.036m and for 2014/15 was £8.810m. Members were advised that it was not something to be concerned about as there

were a number of factors to consider, not just what had been spent on services. There were other adjustments that had to be made, there was a net decrease in reserves for the general fund throughout the year and a lot of that was adjustments made to the capital financing requirement, as detailed in the paper presented to the Executive Committee in November 2015.

A Member asked how much bonus over and above the salary was paid to the Chief Fire Officer in the previous year 2014/15. Members were advised that the 'other payments' included bonus and exit packages. The previous Chief Fire Officer had left the Authority within 2014/15 so some of that amount would be retirement benefits. The Director of Finance and Assets would forward a copy of a response to the same enquiry raised in relation to 2014/15 to both the Member raising the issue as well as the Chairman of the Committee.

RESOLVED –

That the Statement of Accounts for the financial year ended 31 March 2016 be signed by the Chairman of this Committee.

OA09 TREASURY MANAGEMENT PERFORMANCE 2015/16 – QUARTER 4

The Director of Finance and Assets advised Members that this was the Quarter 4 Treasury Management performance report for 2015/16. The accrued interest earned for the year of 2015/16 was £173k, which was £73k higher than the budget for the year and £36k higher than the total interest earned in the previous year.

RESOLVED –

1) That the Treasury Management Performance 2015/16 – Quarter 4 report be noted.

OA10 CORPORATE RISK MANAGEMENT

The Corporate Planning Manager advised Members that this report provided an update on the current status of identified corporate risks. Risk registers were maintained at project, departmental and directorate levels. Corporate risks were those that had been escalated from these levels for scrutiny by the Strategic Management Board (SMB), because of their magnitude, proximity or because the treatments and controls required significant development.

The Corporate Planning Manager advised Members that the Corporate Risk Register was last reviewed by the Strategic Management Board (SMB) on 5 July 2016, no changes to the risk assessments were recommended at that point, or risks identified for escalation from directorate risk registers. The only exception

was the funding and savings risk, which SMB recommended to be kept under close scrutiny in light of the outcome of the European Union Referendum conducted on 23 June 2016 and any implications for public finances arising from this.

A Member asked why the Thames Valley Control Room 'buddy' was North Yorkshire Fire and Rescue Service. Members were advised that the Authority did not want to use another service in the south due to possible spate conditions across the region, and to have a more remote buddy made sense from a resilience perspective. Members were reminded there was also a secondary control room facility at Kidlington.

RESOLVED –

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

OA11 BUSINESS AND SYSTEMS INTEGRATION PROJECT: PROGRESS REPORT

The Head of Service Development introduced the report and advised Members that the project was progressing well, within budget and timescales.

The BASI Project Manager advised Members that the Finance System would be supplied by Capita and the HR and Payroll Systems would be supplied by Capita in partnership with Midland HR. This would allow the Authority to move away from SAP and offer staff a user friendly, modern system. The contract had been executed and payment would be split over 20 milestones based on delivery and sign off by the project board.

Premises Risk Management had now been awarded but was in a ten day stand still so information regarding the supplier could not be disclosed.

The Chairman asked that for the next update there was information on the project overview milestones.

A Member asked if the purpose behind the project was to be more efficient and to make financial savings. Members were advised that yes it was, although there would be no savings as yet, as the project was still in the implementation phase, but pay back would be four to five years.

A Member asked when a contract was transferred to a supplier, how the Authority monitored the supplier's risk of failing. Members were advised that within the contract there would be service level agreements (SLAs) and these would be monitored through monthly account meetings. Also, there would be financial indicators that would let the Authority know if there was a risk.

RESOLVED –

That the report be noted.

OA12

BALANCED SCORECARD REPORT 2015-16

The Head of Service Development advised Members that this report provided an annual review of performance against the outcome measures specified in the Authority's 2015-20 Corporate Plan. It covered performance over the period 1 April 2015 – 31 March 2016. The balanced scorecard showed:

- progress towards achievement of our key strategic aims and focused on prevention, protection and response along with overall financial performance.
- the 2015-16 report also included performance benchmarks against comparable fire and rescue services that make up our family group (i.e. of similar size, demographics and geography).
- the Authority was a very cost effective service and the prevention activity helped reduced the demand on the service.
- average attendance times had improved for a second year reversing the previous trend and were in contrast to a trend of increasing attendance times nationally.

The Chairman asked that the difference sources of data be clarified for future reports.

A Member asked with so many houses being built in the area over the next few years, would attendance times rise. Members were advised that at present this did not seem to be the case as demand was changing. Automatic Vehicle Location System (AVLS) also meant that by deploying the most appropriate appliance based on actual location, significantly improved response times.

A Member asked how the High Wycombe positive hours crewed car scheme worked. Members were advised that working with SCAS and their risk and demand profile, the service provided a vehicle operating out of High Wycombe Fire Station with a member of staff crewing that vehicle on a paid by hour basis. SCAS pay the Authority to provide this facility for them.

A Member asked how the comparison groups with other fire and rescue services were chosen. Members were advised that it was a designated 'family group' that the Home Office created which brought together a number of fire and rescue services of similar size, number of staff, population, graphical area etc. in order to provide benchmarking.

RESOLVED –

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

OA13

DATE OF NEXT MEETING

The Committee noted that the next meeting of the Committee would take place on Wednesday 14 September 2016 at 10.00am.

THE CHAIRMAN CLOSED THE MEETING AT 11.55AM

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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	14 September 2016
OFFICER	David Sutherland, Director of Finance and Assets Maggie Gibb, Internal Audit Manager
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 Members on the findings of the finalised Internal Audit reports issued since the last Overview and Audit Committee meeting.</p> <p>a) The management letter following the review of the governance arrangements for Thames Valley Fire Control Service, has been issued since the last meeting and has been agreed with management.</p> <p>There were no recommendations raised as a result of this audit.</p> <p>b) The Core Financial Controls 2015/16 Audit has been finalised.</p> <p>Recommendations have 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 Members note the recommendations raised in the finalised Internal Audit reports.
RISK MANAGEMENT	There are no risk implications arising from this report.
FINANCIAL IMPLICATIONS	The audit work is contained within the 2016-17 budget.
LEGAL IMPLICATIONS	There are no legal implications arising from this report.
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	Not applicable.

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 Plan 2016/17. Internal Audit reports taken to Overview and Audit Committee.
APPENDICES	Appendix A: TVFCS Management Letter. Appendix B: Core Financial Controls 2015/16 Audit.
TIME REQUIRED	10 minutes.
REPORT ORIGINATOR AND CONTACT	Maggie Gibb – Internal Audit Manager mgibb@buckscc.gov.uk 01296 387327

Headquarters

**Buckinghamshire County
Council**

Director of HQ Assurance:

Richard Ambrose

County Hall, Walton Street
Aylesbury, Buckinghamshire HP20 1UD

Business Assurance Team

Telephone 0845 3708090

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Neil Boustred, Head of Service Delivery
David Sutherland, Director of Finance and
Assets
Mick Osborne, Chief Operating Officer

Date: 9 August 2016

Ref: 16-37

Contact Officer: Betty Davidson

Direct Line: 01296 382557

badavidson@buckscc.gov.uk

Dear All,

Draft Management Letter on Audit Review of Thames Valley Fire Control Service

In accordance with the approved 2015/16 Internal Audit Plan, we have carried out a review of the governance arrangements in place for the Thames Valley Fire Control Service (TVFCS).

A decision was made at an extraordinary meeting of Buckinghamshire and Milton Keynes Fire and Rescue Authority (BMKFRA) on 31 October 2012 to join the TVFCS.

At this time, the TVFCS programme was well established between Oxfordshire County Council (OCC) and Royal Berkshire Fire and Rescue Authority with many key decisions taken that framed the delivery of the joint control function for these two authorities.

As such, BMKFRA were not “full” partners during the delivery phase of the programme but worked alongside - and in parallel with - the TVFCS in order to deliver BMKFRA into the programme at the point of migration into the joint control service.

BMKFRA were then invited to join TVFCS as a “full” partner in steady state, and a legal agreement was signed by the three authorities on 22 April 2015.

The objective for this high level review was to provide an evaluation of the adequacy and effectiveness of the governance arrangements in place to provide BMKFRA with assurance.

As part of the audit work the adequacy of controls for mitigating the following risks were reviewed:

If the governance arrangements surrounding the TVFCS are inadequate there is a risk that responsibilities are not defined or monitored leading to poor decision making, and necessary actions not being undertaken.

The audit was undertaken by discussion with key officers and a desktop examination of relevant documentation, including:

- Joint Committee – Terms of Reference, agendas, minutes, actions;
- Risk registers and escalation – TVFRS and BMKFRA ;
- Co-Ordination Group Meeting – agendas, minutes and actions; and
- Control Manager Monthly Reports.

The audit review found that governance arrangements for the TVFCS were robust. The monthly Control Managers Report is thorough and covers operational performance (including establishment, absence rates, staff performance), system performance (system failures, response time to remedy faults), as well as detailed performance reporting on key measures, including trends to provide a direction of travel.

The Joint Co-Ordination Group, attended by the three Heads of Service Delivery, meet monthly and a review of agendas/minutes confirmed that key control areas such as budget monitoring, risk registers and contract monitoring are discussed. Actions are noted, assigned to an owner and followed up at the next meeting. The Chair for the meeting is rotated between the three authorities which demonstrates good and equal partnership working.

The Joint Committee meets on a quarterly basis and its membership includes the Chief Fire Officers and two elected members from each authority. The meetings are public and a review of agendas and minutes confirmed that this committee provides a strong scrutiny function.

An independent Gateway Review was undertaken by a group made up of other Fire Services in January 2016. The review covered key areas such as programme management, culture, procurement and governance. At the time of the internal audit the findings from the report were being presented to the stakeholders for discussion and had not been finalised. Internal Audit will monitor progress of implementation of the key findings through future planned audit activity for the TVFCS.

Based on the limited work undertaken it is our opinion that reasonable assurance can be provided that relevant risks are effectively identified, managed and controlled, and that governance arrangements are robust.

Although we have not raised any issues I would be grateful if you could respond to this draft management letter with any comments by 23 August 2016 in order to facilitate finalising it. The contents of the final management letter will feed into Internal Audit reporting to Overview and Audit Committee.

Yours sincerely,

Maggie Gibb
Internal Audit Manager

AUDIT AND RISK MANAGEMENT

INTERNAL AUDIT REPORT

**BUCKINGHAMSHIRE & MILTON KEYNES
FIRE AUTHORITY**

Core Financial Controls 2015/16

May 2016





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Audit Control:

Closing meeting:	14 March 2016
Draft report:	7 April 2016 (reissued 3 May 2016)
Management responses:	21 April 2016 (revised responses received 5 May 2016)
Final report:	24 May 2016

Auditors:	Ian Dyson Maggie Gibb Betty Davidson Nafisah Khan	Chief Internal Auditor Audit Manager Senior Auditor CIPFA Trainee
Report Distribution:		
Draft Report	Mark Hemming David Sutherland Kerry McCafferty Sharon Elmes Lynne Swift	Deputy Director of Finance and Assets Director of Finance and Assets Head of Human Resources Employee Services and Payroll Manager Director of People and Organisational Development
Final Report as above plus:	Jason Thelwell Adrian Busby Ernst and Young	Chief Fire Officer Chair, Bucks and Milton Keynes Fire Authority External Audit



1. Executive Summary

1.1 Overall Audit Opinion

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

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

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

1.3 The Director of Finance and Assets has overall responsibility for the finance function at BMKFA. The Head of Finance oversees the day-to-day operation of the Finance Team currently consisting of two Accountants, two trainee Accountants, a Finance Officer and a Finance Assistant. There is also a Procurement Officer.

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

The Director of People and Organisational Development (POD) has overall responsibility for the recruitment and payroll process. The Head of Human Resources oversees the day-to-day operation of the POD Team.

The POD team provide all Human Resource (HR) advisory, transactional and payroll services to the Authority. An online service desk facility has been introduced to deal with HR queries.

BMKFA are currently going through a tender exercise to replace the SAP Financial System with a system more suited to the needs of the Authority. It is planned that the system will be implemented by April 2017.



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

- The Treasury Management process is well run and is returning higher levels of interest than budgeted.
- The Employee Services and Payroll Manager has introduced electronic checklists to make the payroll payments system more efficient.

1.5 Some areas for improvement were identified. The one high priority recommendation is as follows:

- The workshops charge customers for ad hoc work completed, a cash sheet is sent to the Finance team providing details of the income received via card/cash. There is no evidence of a reconciliation between the work recorded and invoiced from the Tranman system and income received and recorded on the cash sheets and SAP.



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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 core financial systems.

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

Business Area	Risk	Findings		
		High	Medium	Low
Financial Control Framework	<ul style="list-style-type: none"> • Financial Regulations/Instructions are not comprehensive, up to date or approved. • Financial risks are not identified or managed in accordance with the corporate Risk Management Policy. • Staff are unaware of roles and responsibilities. • Access controls and segregation of duties are inadequate. • Inadequate or lack of, budgetary control results in budget over/under spends. 	0	1	2
Creditors	Creditor payments are not authorised, accurate, timely, or are not in respect of goods and services received by BMKFA.	0	1	0
Debtors	<ul style="list-style-type: none"> • All income due to the organisation is not properly identified, allocated or accounted for. • Income due has not been invoiced, received or action taken to recover the debt. 	0	1	0
Payroll	Payments are made which are not bona fide or not at the correct and authorised rate.	0	1	1
General Ledger	<ul style="list-style-type: none"> • Financial transactions are not accurately or completely recorded. • Transactions are not authorised or supported by documentary evidence. 	0	0	0



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Grant Income	Grant income is not properly planned, identified, allocated or accounted for.	0	0	0
Capital	There is no approved capital programme and capital assets are not recorded or accounted for correctly.	0	0	0
Banking and Reconciliations	<ul style="list-style-type: none"> • Banking transactions are not bona fide, accurate or authorised. • Reconciliations are not carried out and signed off on a regular basis. 	1	1	0
VAT	VAT is not correctly accounted for by the Authority and VAT returns are not made in a timely manner.	0	0	0
Treasury Management	<ul style="list-style-type: none"> • Treasury Management Strategy is not approved, or not in accordance with recommended practices and legislation. • Transactions are not appropriately authorised. • The integrity and reliability of the treasury management system is compromised due to inadequate access controls. • Information received by Treasury Management to enable effective cash flow forecasting to take place is insufficient, inaccurate or out of date. • Lack of reporting and monitoring of Treasury Management activity. 	0	0	1
TOTAL		1	5	4

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



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-
- 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 Core Financial Controls formed part of the agreed audit programme for 2015/16. The review was carried out during January 2016.
- 2.2 The Core Financial Controls area was categorised as high risk as part of the audit needs assessment exercise based on its relative importance to the achievement of the Authority’s corporate objectives. The Authority’s objective for the area is to ensure that there are robust governance arrangements in place and all financial transactions are accurate and appropriately authorised. 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 The outcome of the previous audit in this area can be summarised as:

Date of last audit:	March 2015	
Overall last audit opinion:	Substantial	
Number of recommendations agreed with management 2014/15 audit:	High	1
	Medium	4
	Low	3
Follow Up: Number of recommendations implemented by management since last audit:	High	1
	Medium	2
	Low	3

Two of the agreed actions are not yet due for implementation. These are both related to updating policies and procedures used by the Finance Team and will be reviewed and updated when the new finance system is implemented.



3. Recommendations and Action Plan

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

The priority of the findings and recommendations are as follows:

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

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

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

	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
Key Area		Banking and Reconciliations			
1	All income received is recorded accurately and banked promptly.	<p>A sample of bank statements received, one for each month from April 2015 to December 2015, was tested. It was found that:</p> <ol style="list-style-type: none"> The workshops charge customers for ad hoc work completed, a cash sheet is sent to the Finance team providing details of the income received via card/cash. Although a receipt is issued from the Tranman system for cash payments there is no evidence that a reconciliation takes place between work recorded and invoiced on the Tranman system and income recorded on SAP. The cash sheets reviewed state a fee of £49.95 was charged but a value of £50 was banked. Although in this case it is a very 	High	<ol style="list-style-type: none"> A reconciliation will be carried out between the work invoiced on the Tranman system and the income recorded on SAP. A reconciliation between income cash sheets and the cash received will be carried out on a regular basis to mitigate the risk of fraud and error. Any reason for the amounts not agreeing will be recorded on the cash sheet. Cheque receipts will be recorded and cheques will 	<p>Who to be actioned by: Principal Accountant</p> <p>When to be actioned by: June 2016</p>



	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
		<p>small amount, if cash sheets are not reconciled against the actual cash received there is a risk of fraud and error.</p> <p>3. Two cheques were banked one month after the date of the cheque, there is no evidence of when the cheques were received by the Fire Authority; if cheques are not banked within a week this is not compliant with Financial Instructions.</p>		be banked within one week of receipt in accordance with Financial Instructions.	
Key Area		Financial Control Framework			
2	Virements are appropriate and authorised.	<p>A sample of five virements was tested by Audit. It was found that two out of the virements were processed before being authorised at the agreed level.</p> <p>One virement, although it had been approved by the budget holder, was processed before approval by the Executive Committee.</p> <p>One virement which had been approved and processed in the previous financial year was reprocessed as a temporary virement in 2015/16. This should either be approved on an annual basis or should be processed as a permanent virement if it is likely to happen in following years.</p> <p>This is not in accordance with the agreed approval limits in the Financial Instructions.</p>	Medium	The process for approving virements will be reviewed as part of the next review of Financial Instructions and implementation of the new finance system.	<p>Who to be actioned by: Deputy Director of Finance and Assets (Head of Finance at time of audit)</p> <p>When to be actioned by: February 2017</p>



	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
Key Area		Debtors			
3	Aged debt reports are reviewed by Finance on a regular basis and debts chased promptly.	<p>A sample of five aged debts was reviewed by Audit. It was found that:</p> <ol style="list-style-type: none"> 1. One debt, £866.83, had been outstanding since 2013, 12 reminders had been sent to the individual up to June 2014. The Finance Officer confirmed that this was not likely to be paid. 2. One debt from July 2015 of £480 has been chased regularly with no response from the customer and no further action has been taken by Finance. 3. One debt from November 2015 of £180 had not been chased due to lack of resource to chase the debts. This has now been paid. <p>This is not compliant with the Debt Management Policy which states that three reminders should be sent to customers for debts over 30 days after the due date, after which legal action should be considered. Where appropriate action to chase outstanding debts is not taken there is a risk that the outstanding debts will not be recovered. For debts that are not likely to be recovered BMKFA should consider legal action or writing off the debt.</p>	Medium	Debts should be chased in accordance with the Debt Management Policy. For debts that are not likely to be recovered BMKFA should consider legal action or writing off the debt.	<p>Who to be actioned by: Principal Accountant</p> <p>When to be actioned by: June 2016</p>



	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
Key Area		Creditors			
4	Supplier checks are undertaken for all new vendor set ups and changes to vendor details.	<p>A sample of five vendor set ups and five amendments to vendor records was tested. It was found that for one of the vendor set ups there was no evidence that the details had been checked by Finance.</p> <p>If vendor details for set ups and amendments on SAP are not checked appropriately before input or reviewed there is a risk that vendor details are incorrect resulting in an increased risk of fraudulent or incorrect payments.</p>	Medium	Vendor details on SAP should be checked by a second member of the Finance Team to reduce the risk of errors not being identified and corrected.	<p>Who to be actioned by: Principal Accountant</p> <p>When to be actioned by: June 2016</p>



	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
Key Area		Payroll			
5	Starters and leavers details are input to SAP by HR and details on SAP are checked by a second officer.	<p>A sample of five starters and five leavers was tested. It was found that:</p> <ol style="list-style-type: none"> 1. For one new starter there is no evidence that the information was checked against SAP by a second officer as the secondary employment form had not been signed off. 2. For one leaver there is no evidence that the details were checked on SAP by a second officer. <p>If starter and leaver details on SAP are not checked by a second officer there is a risk that incorrect details are not corrected and payments may be made in error.</p>	Medium	All items processed within Payroll are subject to a review and checking process. In these instances the items had been reviewed but the documentation had not been correctly signed off by the Employee Services and Payroll Manager who was for a period undertaking all of the reviews. The importance of signing all documentation is noted and stronger processes are now in place.	<p>Who to be actioned by: Employee Services and Payroll Manager</p> <p>When to be actioned by: Immediately</p>



	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
Key Area		Banking and Reconciliations			
6	Bank control account reconciliations are carried out on a regular basis.	<p>A sample of two month's bank reconciliations was reviewed by Audit .It was found the reconciliations did balance to the bank statement; however, it was evident that transactions were posted to the periods after the reconciliations had been completed and signed off. The Finance officer advised this was due to the period not being locked on SAP and the incorrect posting date was entered on the batch upload leading to October transactions being posted to September in error.</p> <p>Where the period is not locked in a timely manner there is a risk that transactions could be posted to the incorrect period in error and reconciliations incorrect.</p>	Medium	<p>The Principal Accountant will request that the BCC SAP Team inform Finance when the period on SAP has been locked to ensure that transactions relating to the following period are not posted to the previous period.</p> <p>Bank reconciliations will be completed after the period is locked to ensure the reconciliations are accurate.</p>	<p>Who to be actioned by: Principal Accountant</p> <p>When to be actioned by: June 2016</p>



	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
Key Area		Financial Control Framework			
7	Contract Standing Orders are reviewed and updated on a regular basis and approved.	<p>Contract Standing Orders were reviewed by Audit. The European Public Contracts Directive thresholds have not been updated to reflect the changes made in January 2014. The thresholds were also changed again from January 2016.</p> <p>If Contract Standing Orders are not amended to show changes in procurement thresholds there is a risk that staff are unaware of the changes and are following incorrect guidelines for tendering, potentially acting unlawfully.</p>	Low	Contract Standing Orders will be updated to show current EU procurement thresholds.	<p>Who to be actioned by: Deputy Director of Finance and Assets (Head of Finance at time of audit)</p> <p>When to be actioned by: February 2017</p>
8	Access to critical transactions on SAP are restricted to appropriate staff.	<p>Access to SAP critical transactions was reviewed by Audit. It was found that access had not been locked for some members of staff who no longer worked for the Authority.</p> <p>There is a risk that staff process transactions that have not been approved at the appropriate level and an increased risk of fraud.</p>	Low	Access to all transactions will be locked when staff leave BMKFA.	<p>Who to be actioned by: Principal Accountant</p> <p>When to be actioned by: June 2016</p>



	Control description	Issues & Consequences	Priority H/M/L	Management Action Plan	Task owner and target date for implementation
Key Area		Payroll			
9	Adequate separation of duties exists within the payroll system.	<p>Access to SAP transaction PA40 (Changes to HR Master Data) was checked and found to be active for one user who no longer works for the Fire Authority. As this member of staff was the only person in Finance to have access to this transaction it is likely that the access was inappropriate and should not have been given.</p> <p>If staff are given access to inappropriate transactions such as Changes to HR Master Data, there is a risk that changes could be made to staff details on SAP which are not authorised, and increases the risk of fraudulent payments.</p>	Low	<p>Access to SAP will be locked for the member of staff. Access to HR transactions both for starters and for new requests will be reviewed to ensure that only the staff that have authorisation to make changes can do so.</p> <p>With immediate effect only HR/Payroll users will have PA40 (input) access going forward, any other users should only be granted PA20 (enquiry access).</p>	<p>Who to be actioned by: Deputy Director of Finance and Assets (Head of Finance at time of audit) and Employee Services and Payroll Manager</p> <p>When to be actioned by: Immediately</p>
Key Area		Treasury Management			
10	Access to the bank account to make investments is restricted to Finance staff.	<p>Access to the ICD (Treasury Management) Portal to make Money Market Fund purchase/redemption is restricted to Finance staff however one member of staff who no longer works for BMKFA is still on the authorisation list as a trader.</p> <p>There is a low risk that the system could be accessed.</p>	Low	The list of Traders and Approvers will be reviewed and updated to reflect current staff members.	<p>Who to be actioned by: Principal Accountant</p> <p>When to be actioned by: June 2016</p>



Appendix A

AUDIT SCOPE AND FRAMEWORK

4. Specific Audit Scope

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

Financial Control Framework

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

Creditors

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

Debtors

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

Payroll

- Payments are made which are not bona fide or not at the correct and authorised rate.

General Ledger

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

Grant income

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

Capital

- There is no approved capital programme and capital assets are not recorded or accounted for correctly.

Banking and Reconciliations

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

VAT

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

Treasury Management

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



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

- | |
|---|
| <ul style="list-style-type: none">• The Pension process was not tested as it has been audited separately in 2015/16 |
|---|

5. Staff Interviewed

- Mark Hemming, Head of Finance
- Sharon Elmes, Employee Services and Payroll Manager
- Asif Hussain, Accountant
- Mark Stevens, Accountant
- Marcus Hussey, Trainee Accountant
- Linda Blunt, Finance Officer
- Carly Humphrey, Employee Services and Payroll Team Manager
- Jessica Bunce, Finance Assistant
- Judith Grimes, Senior Administrator, POD
- Lynda Donohoe, Workshops Receptionist/Administrator



5. Audit Methodology and Opinions

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

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

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

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Buckinghamshire & Milton Keynes Fire Authority



MEETING	Overview and Audit Committee
DATE OF MEETING	14 September 2016
OFFICER	Mark Hemming, Deputy Director of Finance and Assets
LEAD MEMBER	Councillor Andy Dransfield
SUBJECT OF THE REPORT	Appointment of External Auditors
EXECUTIVE SUMMARY	<p>The current audit contracts were novated from the Audit Commission to Public Sector Audit Appointments Limited (PSAA) on 1 April 2015. The contracts were due to expire following conclusion of the audits of 2016/17 accounts, but could be extended for a period of up to three years by PSAA, subject to DCLG amendment of the transitional provisions to extend the period in which the statutory functions are delegated to PSAA.</p> <p>In October 2015, the Secretary of State confirmed that the transitional provisions would be amended to allow an extension of the contracts for a period of one year for audits of principal local government bodies only. The new framework for principal local government bodies will commence with the 2018/19 audits.</p> <p>Once the transitional arrangements end and the new arrangements set out in the Act are in place, there are three options available to local public bodies for appointing an auditor. These are to:</p> <ol style="list-style-type: none"> 1. undertake an individual auditor procurement and appointment exercise; 2. undertake a joint audit procurement and appointing exercise with other bodies, those in the same locality for example; or 3. join a 'sector led body' arrangement where specified appointing person status has been achieved under the relevant Regulations. <p>All the above options require a local auditor to be appointed not later than 31 December in the financial year preceding the financial year of the accounts to be audited. So for the audit of the accounts of the 2018/19 financial year, there must be a local auditor appointed by 31 December 2017.</p> <p>In July 2016, the Secretary of State for Communities</p>

	<p>and Local Government confirmed that PSAA has been specified as an appointing person under the provisions of the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015. This means that PSAA will make auditor appointments to relevant principal local government bodies (including police and fire bodies) that choose to opt into the national appointment arrangements for audits of the accounts from 2018/19.</p> <p>The date by which principal local government bodies will need to opt into the appointing person arrangement is not yet finalised, but PSAA expect invitations to opt in will be issued before December 2016.</p>
ACTION	Decision.
RECOMMENDATIONS	<p>It is recommended that the Authority be recommended to:</p> <ol style="list-style-type: none"> 1. Approve for the Authority to join a 'sector led body' arrangement.
RISK MANAGEMENT	No direct impact.
FINANCIAL IMPLICATIONS	<p>The new audit fees will not be known until the procurement exercise is complete. It is anticipated that a 'sector led body' will provide the lowest fees for the Authority. This is because as a smaller authority, we will be able to gain from the economies of scale that a larger group of authorities would benefit from.</p> <p>Joining a 'sector led body' would also remove the need for the Authority to complete its own procurement exercise, which is costly in terms of the resources required to complete it.</p>
LEGAL IMPLICATIONS	<p>The new arrangements for the audit and accountability of local public bodies are set out in the Local Audit and Accountability Act 2014.</p> <p>The following Regulations have been issued under the Act:</p> <ul style="list-style-type: none"> • The Accounts and Audit Regulations 2015 • The Local Audit (Appointing Person) Regulations 2015 <p>The decision to opt into a 'sector led body' requires the approval of the full Authority.</p>
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	Of the three options presented in the Executive Summary, a 'sector led body' will ensure collaboration with the largest number of public sector bodies.
HEALTH AND SAFETY	No direct impact.

EQUALITY AND DIVERSITY	No direct impact.
USE OF RESOURCES	Any changes to the scale of fees will be factored into the medium term financial plan.
PROVENANCE SECTION & BACKGROUND PAPERS	None.
APPENDICES	None.
TIME REQUIRED	10 minutes.
REPORT ORIGINATOR AND CONTACT	Mark Hemming mhemming@bucksfire.gov.uk 01296 744687

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Buckinghamshire & Milton Keynes Fire Authority



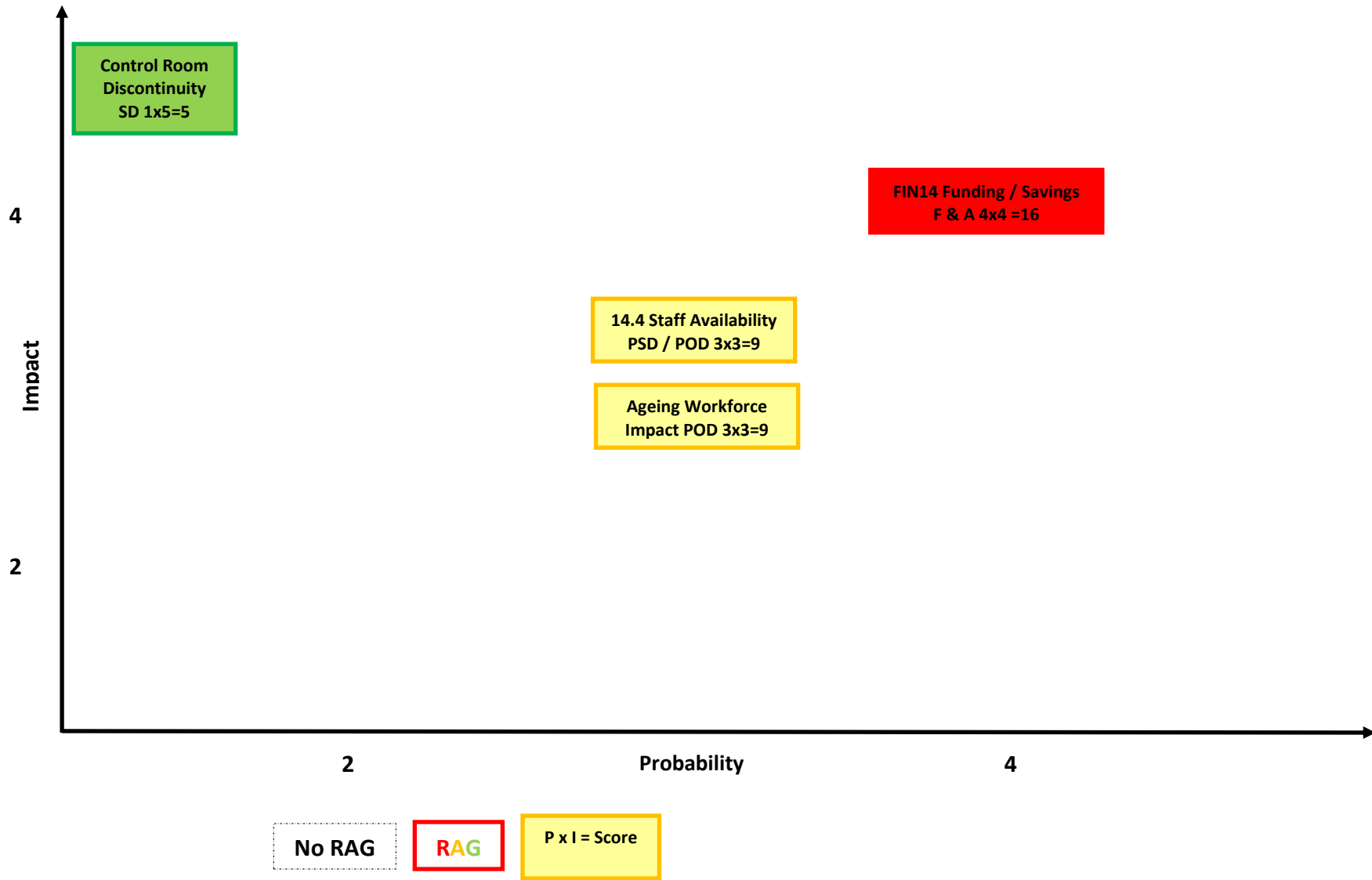
MEETING	Overview and Audit Committee
DATE OF MEETING	14 September 2016
OFFICER	Julian Parsons, Head of Service Development
LEAD MEMBER	Health and Safety and Corporate Risk (Councillor David Schofield).
SUBJECT OF THE REPORT	Corporate Risk Management
EXECUTIVE SUMMARY	<p>This report provides an update on the current status of identified corporate risks. Risk registers are maintained at project, departmental and directorate levels. Corporate risks are those that have been escalated from these levels for scrutiny by the Strategic Management Board (SMB), because of their magnitude, proximity or because the treatments and controls require significant development.</p> <p>The Corporate Risk Register was last reviewed by the Committee at its 27 July 2016 meeting. It has since been reviewed by the Performance Management Board on 4 August 2016, at which all directorate risk registers were scrutinised, and the Strategic Management Board (SMB) on 16 August 2016 but no changes to the risk assessments were recommended at these meetings or risks identified for escalation from directorate risk registers. The funding and savings requirement risk remains at red RAG status, despite ongoing mitigation through our medium term financial planning process, given continued economic uncertainty following the outcome of the European Union Referendum conducted on 23 June 2016 and any potential implications for public finances arising from this.</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:

	<ul style="list-style-type: none"> i. Review the status report on identified corporate risks at Annex C; and, ii. 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	<p>The development of the risk management framework complements the governance framework and business processes as a critical cog in the system of internal control and makes better use of our people resources by giving them clearly defined areas of responsibility.</p> <p>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</p>

	<p>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 18 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 27 July 2016 Overview & Audit Committee:</p> <p>http://bucksfire.gov.uk/files/6214/6883/2242/Overview and Audit Committee 27 July 2016 Agenda Pack compressed.pdf</p>
<p>APPENDICES</p>	<p>Annex A: Distribution of Corporate Risks at 16 August 2016 SMB meeting.</p> <p>Annex B: 12 Month View of Changes to Corporate Risks</p> <p>Annex C: Corporate Risk Register Report</p>
<p>TIME REQUIRED</p>	<p>15 Minutes.</p>
<p>REPORT ORIGINATOR AND CONTACT</p>	<p>Stuart Gowanlock, Corporate Planning Manager</p> <p>sgowanlock@bucksfire.gov.uk</p> <p>01296 744435</p>

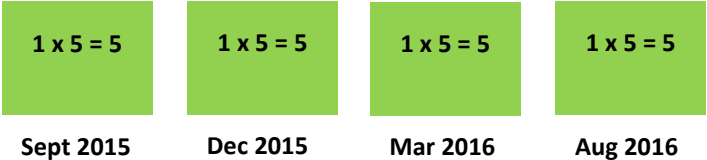
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Annex A: Corporate Risk Map – As at 16 August 16 SMB

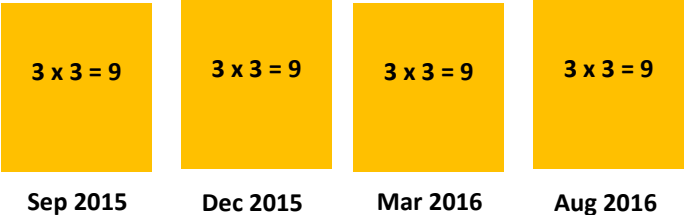


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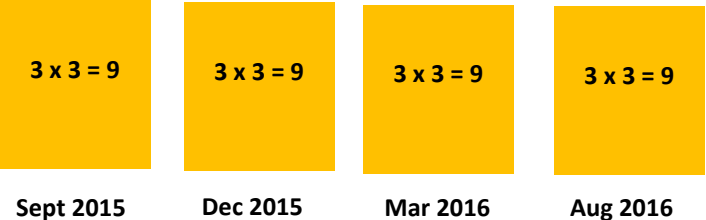
Thames Valley Control



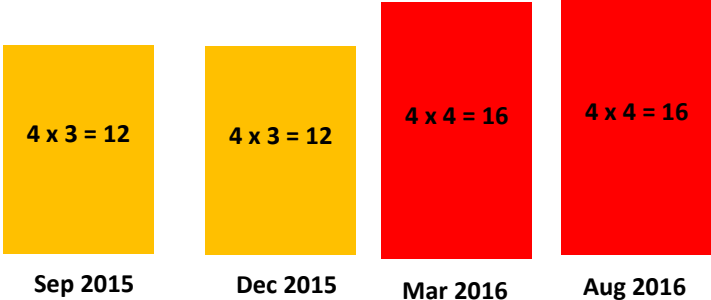
Staff Availability



Ageing Workforce Impact



Risk to Funding



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Annex C: Corporate Risk Register – as at 16 August SMB 2016

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>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> <p>2 June 16 PMB: No items for escalation from directorate risk registers identified. Recommend review of the risk scoring in light of any response to the outcomes of the Thomas Review following publication.</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						

Annex C: Corporate Risk Register – as at 16 August SMB 2016

Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	RAG	Comments / Further Treatment Proposed
			P	I	Σ				
Fin 14 – Funding and Savings Requirement	Director Finance & Assets	The funding settlement for 2016/17 and beyond now assumes that a council tax increase is required each year in line with CPI inflation and that local growth meets expectations. If either or both do not come to fruition there is a risk the Authority will not meet its commitment to the PSP 2015-20 and that a fundamental re-think of service provision will be required.	(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. USAR grant is also now assumed to be cut which will leave a challenge with a cumulative savings requirement in the order of £3.2m up to 19/20, <u>even if CT tax is increased</u> . However, early treatment should ensure this is manageable pending confirmation of the loss of grant.	R	<p><u>12 January 2016 SMB</u> Risk consequences, treatments & score updated to reflect current MTFP projections including 16/17 financial settlement & potential risk to USAR grant.</p> <p><u>12 April 2016 SMB</u> Risk consequences and treatment updated to reflect MTFP, including provisional four-year settlement and latest council tax assumptions.</p> <p><u>5 July 2016 SMB</u> Risk level to remain as high due to additional uncertainty arising from the outcome of the Referendum on the UK's Membership of the EU.</p>
			(3)	(4)	(12)	M			
			(3)	(4)	(12)	M			
			4	4	16	H			

Annex C: Corporate Risk Register – as at 16 August SMB 2016

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				
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			

Annex C: Corporate Risk Register – as at 16 August SMB 2016

Risk Description	Resp.	Consequences if Untreated Risk Occurs	Risk Score (Former) / New			Risk Level	Current Treatment	RAG	Comments / Further Treatment Proposed
			P	I	Σ				
<p>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 	3	3	9	M	<ul style="list-style-type: none"> SMB are reviewing the Whole time workforce and retirement profile in line with the MTFP to consider what options are available for refreshing the workforce and aligning staff with demand. Improved take up of Bank and Ops resourcing pool will assist operational resilience. Review wellbeing support options for different workforce profiles Functional hearing assessments being conducted in house. Following design of the ATA specification, the procurement exercise has been completed and the ATA selected. The project plan is in place for operational and support Apprentices. For operational apprentices we have commenced engagement work with the public and educational establishments and familiarisation days are being held in April 16 prior to formal advertising and selection. Successful recruits will undertake initial training at FSC in August 2016 and be 	A	<ul style="list-style-type: none"> Next SMB planning meeting 8 June 2015 Potential to offer different and more flexible contractual arrangements which may be more attractive to an aging workforce with different needs and priorities Encourage a balance of demographics across the organisation Succession and workforce planning to be developed further. Review opportunities for reasonable adjustments for aging workforce. <p><u>21 May 15 PMB</u> 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>

Annex C: Corporate Risk Register – as at 16 August SMB 2016

		<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. 					available as an operational resource in October 2016.		<p><u>16 August 2016 SMB</u> 22 operational fire fighter apprentices commenced their training programme 15 August 2016. It is considered too early to reduce the risk score until the effects of this and other measures being taken to improve operational workforce resilience and availability can be evaluated.</p>
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Buckinghamshire & Milton Keynes Fire Authority



MEETING	Overview and Audit Committee
DATE OF MEETING	14 September 2016
OFFICER	Graham Britten, Director of Legal & Governance
LEAD MEMBER	Councillor David Watson
SUBJECT OF THE REPORT	Independent Persons
EXECUTIVE SUMMARY	<p>This report recommends the appointment of Independent Persons by the Authority following the recruitment process undertaken on its, and Milton Keynes Council's and Central Bedfordshire Council's behalf, by Luton Borough Council.</p> <p>Five applicants (all of whom were IPs from the pool first appointed in 2012) are recommended.</p>
ACTION	Decision.
RECOMMENDATIONS	<p>It is recommended that the Authority be recommended to appoint:</p> <ol style="list-style-type: none"> 1. John Jones, Vasco Fernandes, Chris Ensor and Maureen Briggs as Independent Persons for a period commencing on 20 October 2016 and terminating at midnight on 31 October 2020; and 2. Chris Fogden as an Independent Person for a period commencing on 1 July 2017 and terminating at midnight on 31 October 2020.
RISK MANAGEMENT	<p>Whilst the Authority has yet to require the services of an Independent Person (IP) the recommendations achieve compliance with the Localism Act 2011 which requires the Authority to have in place arrangements for the determination of complaints against its Members which must include the appointment by the Authority of at least one IP.</p> <p>An IP's views are to be sought and taken into account by the Authority before it makes its decision on an allegation that it has decided to investigate; and an IP's views may be sought by the Authority in relation to the allegation but also by a Member who is the subject of an allegation.</p> <p>Due to the dual role of an IP of adviser to both the Authority and a Member, the Authority would need to appoint at least two IPs to avoid a conflict of interests. The pool of IPs provides resilience in the event of</p>

	unavailability (including resignations) during the next four years.
FINANCIAL IMPLICATIONS	<p>The costs incurred in the recruitment process (advertising, short listing, and interviewing) were borne by Luton Borough Council.</p> <p>As with the arrangement in place since 2012 the applicants have been offered and accepted a retainer of £300 per annum, with a sum of £50 (together with reimbursement of travel and subsistence expenses) in the event that they are called upon to assist one of the authorities. The cost of the £300 retainer for each of the five IPs in the panel is to be defrayed equally among the Authority, Milton Keynes Council, Central Bedfordshire Council and Luton Borough Council, with an annual contribution from the Authority being £375.</p>
LEGAL IMPLICATIONS	<p>Since the introduction of section 28 of the Localism Act 2011, the Authority has been required to have in place at least one IP (a) whose views are to be sought, and taken into account, by the Authority before it makes its decision on an allegation of a breach of its Code of Conduct that it has decided to investigate, and (b) whose views may be sought (i) by the Authority and (ii) by a Member, or Co-opted Member, of the Authority if that person's behaviour is the subject of an allegation.</p> <p>A person may not be appointed as an IP unless (i) the vacancy has been advertised, (ii) the person has submitted an application to fill the vacancy to the authority, and (iii) the person's appointment has been approved by the meeting of the full Authority.</p> <p>No person can be appointed as an IP if he or she has been a Member or co-opted Member of the Authority within the five years preceding the date of the appointment.</p>
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	The recommendation endorses and renews the collaboration adopted by the Authority in 2012 when it entered into a shared panel arrangement with the councils of Milton Keynes, Central Bedfordshire, Luton Borough, and with Bedfordshire and Luton Combined Fire Authority. Bedfordshire and Luton Combined Fire Authority declined to renew the arrangement.
HEALTH AND SAFETY	No issues arising.
EQUALITY AND DIVERSITY	Recruitment was undertaken by Luton Borough Council and in compliance with its policies and its obligations as a public body under equalities legislation and with the criteria for independent persons which are set out in the Localism Act 2011.
USE OF RESOURCES	Luton Borough Council advertised for applicants in

	<p>June with a closing date of 24 June 2016. Following interviews conducted on 6 and 8 of July 2016, five applicants (all of whom were IPs from the pool first appointed in 2012) were considered appointable: John Jones, Vasco Fernandes, Chris Ensor, Chris Fogden and Maureen Briggs. Other members from the former pool (Alexandra di Stefano and John McKay) did not apply on this occasion.</p> <p>A reminder of the IPs' backgrounds are attached at Annex A.</p>
<p>PROVENANCE SECTION & BACKGROUND PAPERS</p>	<p>At its meeting on 27 September 2012 the Authority resolved that the following individuals be appointed as Independent Persons for a period of 4 years:-</p> <p>(a) Maureen Briggs (b) Christopher Ensor (c) Vasco Fernandes (d) John Jones (e) Michael Collins Jones (f) Martin Leppert (g) Timothy Mainwaring (h) John Mackay.</p> <p>Applying exemptions provided by the Localism Act 2011 (Commencement No. 6 and Transitional, Savings and Transitory Provisions) (Amendment) Order 2012 it resolved that the following former co-opted independent members on its Standards Committee be appointed Independent Persons for a period terminating at midnight on 30 June 2013: (a) Mr Christopher Fogden and (b) Dr Alexandra di Stefano.</p> <p>All of the above individuals were members of a panel selected on the Authority's behalf by Milton Keynes Council (in conjunction with Bedford Borough, Central Bedfordshire, Luton Borough, and Bedfordshire and Luton Combined Fire Authority). Bedford Borough engaged two other IPs directly outside of the shared panel.</p> <p>When the Authority dissolved its Standards Committee in 2012 it resolved that the Terms of Reference of the Overview and Audit Committee be amended to include oversight of the Authority's duty to maintain and promote high standards of conduct by its Members.</p> <p>Report to Buckinghamshire & Milton Keynes Fire Authority 18 April 2012</p> <p>Report to Buckinghamshire & Milton Keynes Fire Authority 27 September 2012</p>
<p>APPENDICES</p>	<p>Annex A: Pen profiles of the Independent Persons</p>
<p>TIME REQUIRED</p>	<p>10 minutes.</p>
<p>REPORT ORIGINATOR AND CONTACT</p>	<p>Graham Britten gbritten@bucksfire.gov.uk 01296 744441</p>

Pen profiles of the Independent Persons

Maureen Briggs: Lives in Bedford area. Career in public sector and business. Previous experience as independent member of the standards committees of North Kesteven District Council and Luton Borough Council.

Christopher Ensor: Lives in Bedford area. Career in the Army and BP. Previous experience as independent member and chair of Bedford Borough Council standards committee.

Dr Vasco Fernandes: Lives in Milton Keynes. Career in medicine as Consultant Physician. New to standards issues in local government but has experience of complaints process for medical practitioners.

Christopher Fogden: Lives in Milton Keynes. Career in National Air Traffic Services as a Senior Air Traffic Engineer. Magistrate and previous experience as an independent member of Milton Keynes and Bucks Fire Authority standards committees.

John Jones: Lives in Bedford. Career in the printing industry. Chairman of the Valuation Panel for England, Magistrate and previously chairman of the standards committees for Luton Borough Council and Bedfordshire Police.

Buckinghamshire & Milton Keynes Fire Authority



MEETING	Overview and Audit Committee
DATE OF MEETING	14 September 2016
OFFICER	Graham Britten, Director of Legal and Governance
LEAD MEMBER	Councillor David Watson (Chairman, Overview and Audit Committee)
SUBJECT OF THE REPORT	Compliments and Complaints
EXECUTIVE SUMMARY	<p>This purpose of this report is to advise of any 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 Buckinghamshire and Milton Keynes Fire Authority (the Authority) provide. It also serves to note public satisfaction and record compliments received and, if any of these represent a new good practice, to identify measures taken to ensure that this becomes standard.</p> <p>The last compliments and complaints report to the Overview and Audit Committee was made on 23 September 2015 and considered the three years 2012/13, 2013/14 and 2014/15. This current report covers the financial years 2013/14, 2014/15, and 2015/16.</p> <p>In 2013/14 in a move to capture and address all concerns by members of the public, all reports of dissatisfaction were investigated as complaints. This led to an increase from ten concerns or complaint in 2012/13 to thirty-three in 2013/14 before reducing to twenty- three in 2014/15 with only seven of these being upheld. 2015/16 shows a further decrease with only six complaints received – of which only three were upheld.</p> <p>The number of written compliments received has continued to fall therefore greater reliance is being placed on data from the annual satisfaction survey “After the Incident” to capture the perceptions of those experiencing an incident in the home or in non-domestic premises.</p> <p>During this reporting period no complaints were investigated by the Ombudsman or the Information Commissioner.</p>
ACTION	Information.

RECOMMENDATIONS	That the report be noted.
RISK MANAGEMENT	<p>No risks have been identified for departmental, project or corporate risk register at this time.</p> <p>During compilation of the report consideration is given to risks associated with privacy, people and environmental factors. The public are encouraged to raise concerns /make complaints and, if required, are given assistance to do so.</p> <p>There are sufficient investigating officers trained in complaints handling to ensure that complaints are rigorously investigated, resolved as quickly as possible and, wherever possible, to the satisfaction of the complainant.</p> <p>To protect the privacy of the complainant, all personal data is removed when no longer needed to support investigations and the remaining anonymised data has no residual information risk.</p> <p>No negative issues have been identified.</p>
FINANCIAL IMPLICATIONS	There are no negative financial implications associated with this report.
LEGAL IMPLICATIONS	There are no negative legal implications associated with this report.
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	Although the Authority has committed to a default position of collaboration with Thames Valley Fire and Rescue Authorities (FRAs) compliments and complaints are specific to the recipient FRA and no opportunity to collaborate in the process has been identified at this time.
HEALTH AND SAFETY	There are no negative implications on health and safety.
EQUALITY AND DIVERSITY	The People Impact Assessment has been reviewed as part of an integrated impact assessment and is considered to be a fair and inclusive process.
USE OF RESOURCES	The policy and associated procedure were developed in consultation with representatives from the Local Government Ombudsman, investigating officers, and were approved by the Overview and Audit Committee (Item 6) on 23 September 2015.
PROVENANCE SECTION & BACKGROUND PAPERS	<p>Background</p> <p>Overview and Audit Committee (Item 6) on 23 September 2015.</p>
APPENDICES	Appendix A Compliments and complaints received 2013/14 – 2015/16

Compliments and Complaints

TIME REQUIRED	5 minutes.
REPORT ORIGINATOR AND CONTACT	Gerry Barry, Information Governance and Compliance Manager gbarry@bucksfire.gov.uk 01296 744442 or 07920 710637

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Appendix A

Compliments and complaints received 2013/14 – 2015/16

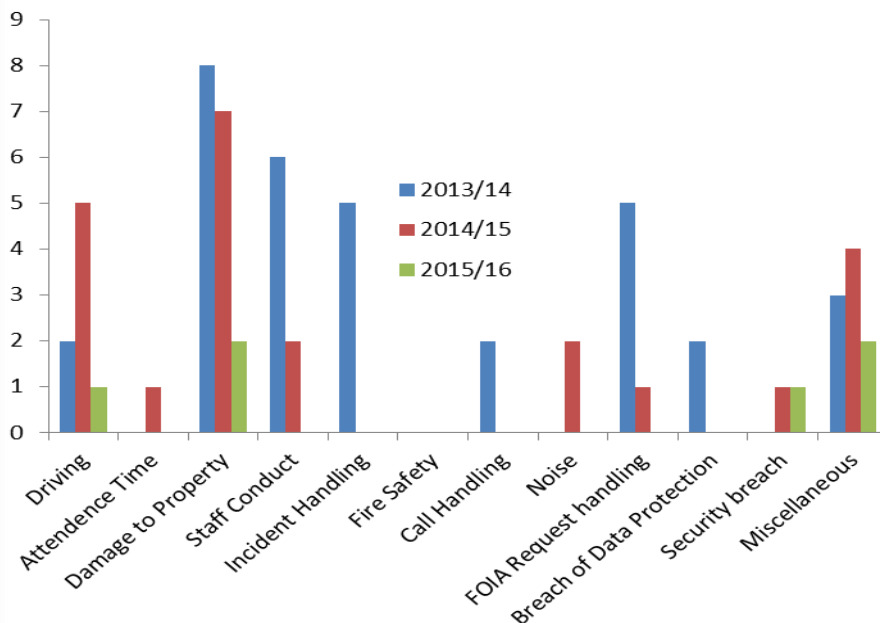
1. Purpose

This purpose of this report is to consider how data for 2015/16 compares to the two previous years 2013/14 and 2014/15, advise of any 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 the Authority provides. It also serves to note public satisfaction and record compliments received and, if any of these represent a new good practice, to identify measures taken to ensure that this becomes standard practice

2. 2015/2016 Complaints

Six complaints were received in 2015/16 compared to twenty-three in 2014/15. Three complaints were upheld one of which was about information security where details of a customer credit card were included with the payment receipt. This was attributed to a new employee who has since received additional training. Both of the other two upheld complaints were to do with property damage. One occurred when a pump was trying to gain access to a field through a narrow gateway, and damaged a concrete edging and the other was caused by a child riding a skateboard over a newly painted fire hydrant cover and getting paint on the wheels of the skateboard. In both instances there was no corrective action as both types of incidents had previously been risk assessed and found to be low risk and no effective corrective action was identified.

Figure 1: Complaints by type



3. After the incident - Customer satisfaction report 2015/16

For the period 2015/16 the Authority continued to subscribe to the annual confidential survey which measures the satisfaction of members of the public who have experienced an incident in the home or in a non-domestic dwelling. These surveys are a good indication of how well the community is served when something has gone wrong and, as fewer compliments and complaints are received from other sources, the relatively large number of returns - 307 for incidents in the home (3111 all incidents in the home) and 231 for non-domestic incidents (4750 all non-domestic incidents), provide additional assurance that the public are satisfied with the services they receive.

The questionnaires are returned to Opinion Research Services (ORS) who analyse the returns and publish the results annually. Participating FRA's are measured against 24 indicators in three groups.

In terms of overall satisfaction with performance at incidents in the home, the Authority scored 97 out of a 100 and for non-domestic incidents, 96 out of a 100.

3.1 Dissatisfaction – Incidents in the home

The bulleted list below is an extract of comments, perceived to be negative, submitted by some of the people completing the survey of incidents in the home. Neutral comments, for example "A pan on the cooker caught fire. My fault, I neglected it" have not been included.

- If we had known how far the appliance travelled, we would have had a more accurate expectation.
- It appeared that the fire engine missed the turning and had to go around the roundabout to come back up to us.
- It took over twenty five minutes for them to arrive.
- It took over 15 minutes to arrive and strong wind fanning the flames.
- They were slower due to parked traffic on the hill and entrance to pond close.
- We would have appreciated being told an e.t.a. by the telephone operator. It felt as if I was waiting for hours!

3.2 Dissatisfaction – Non-domestic incidents

The two negative comments below were submitted with the survey of non-domestic incidents.

- For a school, it seemed to take a long time.
- It was almost thirty minutes before a rescue truck arrived.

3.3 Satisfaction – Incidents in the home

- All very efficient. Date of fire: 17/03/16, approx. 7:45pm.
- Automatic alarm call out from co2 sensor (wiring malfunction).
- Brilliant, very efficient.
- Didn't expect the FRS to come at all.
- Didn't make the call, but they arrived very quickly from the onset of the fire.
- Extremely satisfied with the service received. Kind gentlemen.
- Most helpful and pleasant.
- The fire service was excellent.
- They were wonderful, they made me feel safe immediately, excellent.

- We asked for advice, and the fire brigade has decided to come one hour later to give advice, personally.
- When they arrived they were polite and understanding.
- Came back and were very kind and helpful as always.

3.4 Satisfaction – Non-domestic incidents

- Normal response time is around three to five minutes, estimate this response was around seven to ten minutes, no adverse consequence of the difference in time compared to past experience.
- Very quick response – was excellent.

4. 2015/ 2016 Compliments

Whilst written compliments continue to decline - with only eighteen letters of thanks received in 2015/16 the high level of satisfaction 97/100 for incidents in the home and 96/100 for non-domestic incidents is reassuring and, where the person completing the survey included comments, these were mostly positive.

The letters of thanks came from a variety of sources including those from school children who enjoyed a visit to their local fire station, vulnerable groups who received a visit from a fire crew to give them fire safety advice, people who were rescued from fires in their home, a charity supported by a station car wash fundraiser and attendance by a large group of firefighters at a funeral of a firefighter who had retired fifteen years before.

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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	14 September 2016
OFFICER	David Sutherland, Director of Finance & Assets
LEAD MEMBER	Councillor Andy Dransfield
SUBJECT OF THE REPORT	Treasury Management Performance 2016/17 - Quarter 1
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 quarter of 2016/17 is £41k, which is £16k higher than the budget for the quarter.</p>
ACTION	Information.
RECOMMENDATIONS	That the Treasury Management Performance 2016/17 – Quarter 1 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>The risk of counterparty failure is monitored on the directorate level risk register within Finance and Assets.</p> <p>There are no direct staffing implications.</p>
FINANCIAL IMPLICATIONS	The budget for 2016/17 relating to interest earned on balances invested is £100k. 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	<p>Treasury Management Policy Statement, Treasury Management Strategy Statement and the Annual Investment Strategy http://bucksfire.gov.uk/files/1614/4827/6491/ITEM_8_Treasury_Management_Strategy_2016-17_FINAL.pdf</p> <p>Treasury Management Practices http://bucksfire.gov.uk/files/4314/5527/8969/OA2509_13.compressed.pdf</p>
APPENDICES	Appendix A – Treasury Management Performance 2016/17 – Quarter 1
TIME REQUIRED	5 minutes.
REPORT ORIGINATOR AND CONTACT	<p>Linda Blunt lblunt@bucksfire.gov.uk (01296) 744404</p>

Appendix A – Treasury Management Performance 2016/17 – Quarter 1

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 2016/17.

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. This determines whether or not a counterparty is suitable to invest with and if so, the maximum duration an investment could be placed with them. In the Annual Investment Strategy (AIS), the Authority resolved that the balances invested with any single counterparty at any point in time would be 30% of the total investment portfolio to a maximum of £5m (with the exception of Lloyds Bank, who as our banking provider that have a limit of £7.5m, of which at least £2.5m must be instant access). The amount invested with each counterparty on the approved lending list as at 30 June 2016 is detailed below:

Counterparty	Amount (£000)
Lloyds Bank plc	5,000
Santander	1,000
Nationwide Building Society	4,000
Leeds Building Society	3,000
Standard Chartered Bank	1,000
Royal Bank Of Scotland	3,000
Sumitomo Mitsui Banking Corporation	2,000
Lloyds Bank plc (current accounts)	735
Ignis Sterling MMF*	1,000
Total	20,735

*MMF denotes a Money Market Fund

No counterparty limits were breached during Quarter 1.

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 1 Capita made four relevant 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 31/03/2016</u>	<u>Maximum Duration as at 30/06/2016</u>
UK	Goldman Sachs International	Green - 100 days	Red - 6 mths
UK	HSBC Bank plc	Red - 6 mths	Orange - 12 mths
UK	Standard Chartered Bank	No colour - 0 mths	Green - 3mths
UK	Sumitomo Mitsui Banking Corporation Europe Ltd	Green - 100 days	Red - 6 mths

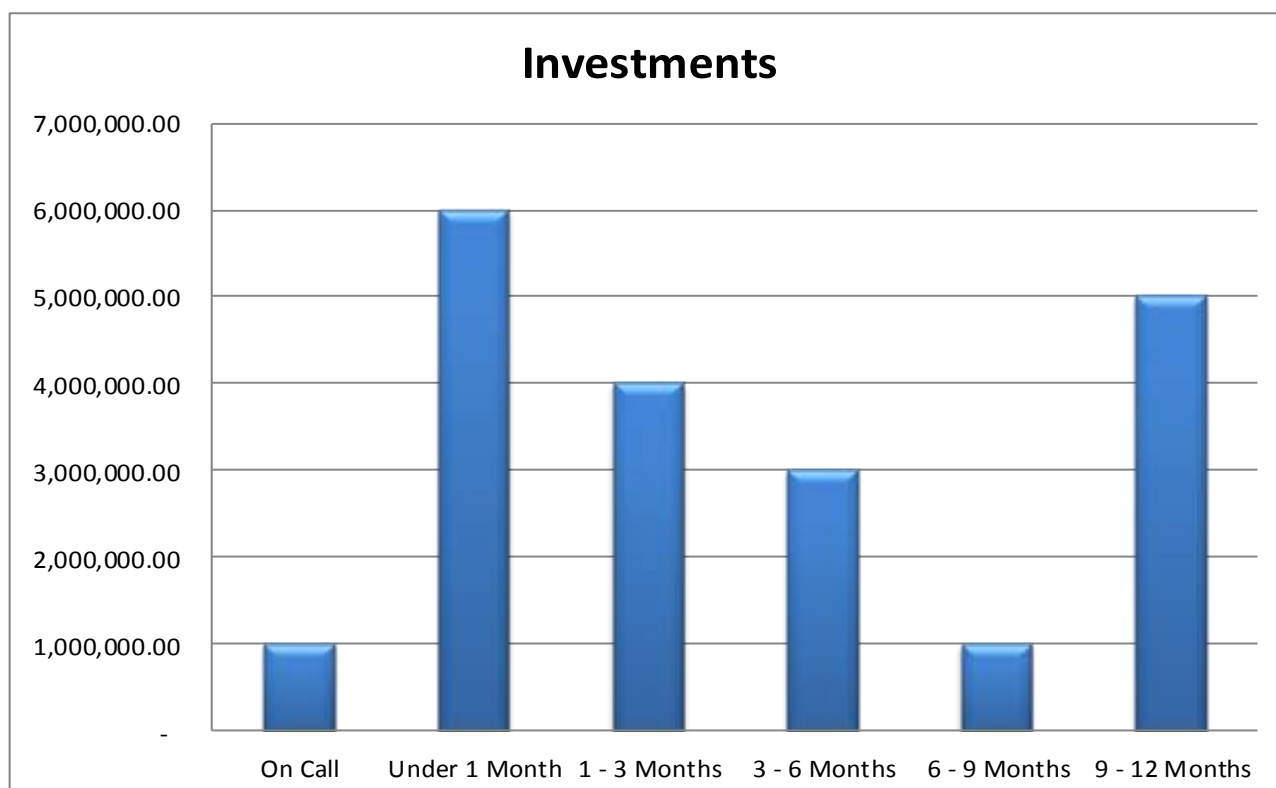
Key:

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 not approved for investments of any duration

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:



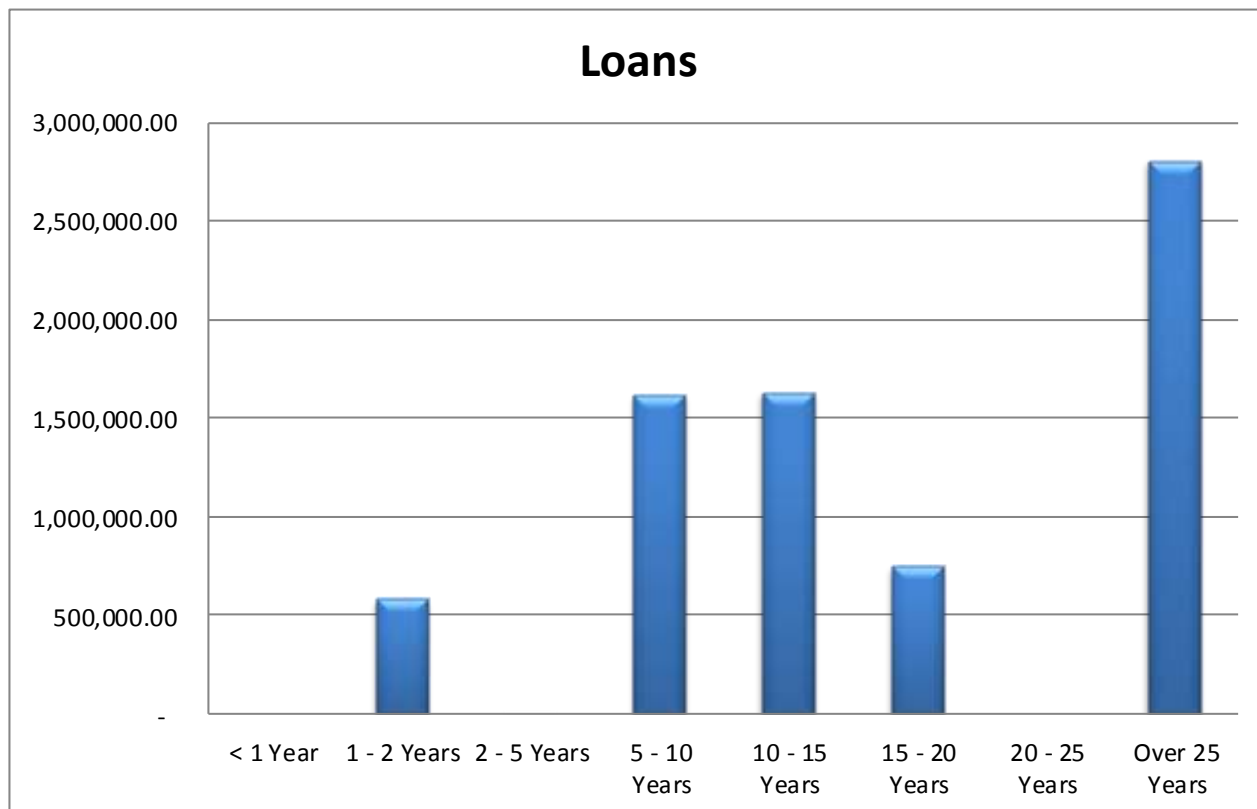
By reviewing the Balance Sheet position, level of reserves and cash requirements, the Authority determined that it was able to re-invest £5m for one year (which matures on 4 April 2017, at which point it will be reinvested for a further year). In order to cover expenditure such as salaries, pensions, 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, totalling £6m consist of four investments; £3m to Royal Bank of Scotland (RBS) in two separate investments, £2m to Sumitomo Mitsui Banking Corporation and £1m to Santander. The RBS deposits were originally made for twelve months and the other two were made for six months and three months consecutively. When they are reinvested they will again be spread over varied lending periods in order to maintain liquidity. The investments for 1-3 months totalling £4m is spread over three counterparties and they were originally made for a period of six months. The investments in the 3-6 month period totalling £3m consists of investments to two counterparties that were originally invested over

a six month period, upon reinvestment they will also be spread over varied lending periods 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 2016 is £7.382m. During May 2016, one Loan for £0.368m was repaid. No further debt repayment is due until May 2018. These repayments do not directly affect the revenue budget, as they simply reflect the use of cash (accumulated by setting aside the appropriate minimum revenue provision (MRP) to settle the outstanding liability).

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 1

The budget for future years was reviewed as part of the Medium Term Financial Plan process and the income target for 2016/17 is £100k. This was increased in 2015/16 to £100k from £70k in 2014/15. This increase was due to the continuing over-achievement against the previous year’s budget.

The accrued interest earned as at 30 June 2016 is £41k against the planned budget of £25k for the first quarter, which is an over achievement of £16k.

Performance Against the Benchmark – Quarter 1

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 2016/17 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 quarter. This is due to attaining slightly better interest rates than the previous year and continued effective Treasury Management processes. However it must be noted that there has been some volatility in interest rates after the EU referendum took place on Thursday 23 June whereby the UK decided to leave the EU. Due to the recentness of the event, it is too difficult to determine how this will impact the return the Authority receives from future investments, but there is a risk the return on interest may reduce due to an expected cut to the Bank of England base rate.



Buckinghamshire & Milton Keynes Fire Authority

MEETING	Overview and Audit Committee
DATE OF MEETING	14 September 2016
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 last Overview and Audit Committee meeting there has been the following activity:</p> <p>We have awarded the Premises Risk Management system to Active Informatics.</p> <ul style="list-style-type: none"> Active Informatics' offer a well-developed system with fire and rescue service functionality and they currently work with Greater Manchester Fire and Rescue Service This will allow us to move away from our existing standalone, unstable system and offer staff a user friendly, modern and mobile solution. <p>The Finance/ HR & Payroll system elements are now moving at pace:</p> <ul style="list-style-type: none"> Implementation plans completed and signed off factoring in resource availability; (See Appendix E for Go Live dates) Following a number of workshops involving end users, the initial system design has been completed; <p>Spend across the BASI project remains on track and within budget. Regular reviews are completed with the finance team. (See Appendix D for Spend breakdown)</p> <p>At the time of completing this report the current activities are underway:</p> <ul style="list-style-type: none"> Premises Risk Management contract being completed by the procurement team; Both suppliers have started building the Finance, HR & Payroll system to BFRS service specification; Finance/HR & Payroll training for super users is ongoing over the next couple of month.


ACTION	For information.
RECOMMENDATIONS	That the report is noted.
RISK MANAGEMENT	<p>The project risks will be contained within a project risk register.</p> <p>Current project risks can be seen in Appendix A – Highlight report – July 2016.</p> <p>The governance of this register, including escalations will be in line with existing service policy.</p>
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	<p>Opportunities for collaboration have been actively sought and considered during the procurement phase of the project.</p> <p>Collaboration has been explored with RBFRS and OXFRS. Further collaboration was explored with Oxford City Council and Reading Council. None of these potential collaborations have led to formal agreements due to various issues around differing needs and timings.</p> <p>Oxford City Council have been named on the Premises Risk Management Tender.</p> <p>Agreements of information sharing have been made with the other potential partners.</p>
HEALTH AND SAFETY	No Health and Safety implications perceived at this time.
EQUALITY AND DIVERSITY	No Equality and Diversity implications identified at this time.
USE OF RESOURCES	<p>The project is 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>A HR resource supports HR & Payroll implementation.</p> <p>A Finance, HR & Payroll implementation and training plan is now in place based on the resources available.</p> <p>Agreement reached to release Operational resource to support the implementation of the Premises Risk Management system from October 2016</p> <p>Staff are being kept abreast of progress through the i:drive and blogs. A full communication strategy will be implemented as part of the roll out of the new systems and in line with the project plan which has to</p>


	be agreed with the suppliers.
PROVENANCE SECTION & BACKGROUND PAPERS	<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"> • ICT 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)
APPENDICES	<p>Appendix A: Highlight Report – July 2016</p> <p>Appendix B: Highlight Report – June 2016</p> <p>Appendix C: Highlight Report – May 2016</p> <p>Appendix D: Spend Breakdown</p> <p>Appendix E: Go Live Dates</p>
TIME REQUIRED	5 Minutes.
REPORT ORIGINATOR AND CONTACT	<p>Anne-Marie Carter</p> <p>acarter@bucksfire.gov.uk</p> <p>07966 886689</p>

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Appendix A: Sponsor Highlight Report – July 2016

Business & Systems Integration project – July 2016

<p>Business Owner: Project Manager: Business Sponsors:</p>	<p>Julian Parsons Anne-Marie Carter Lynne Swift David Sutherland</p>	<p>Project Objectives: To streamline, automate and integrate systems and business processes across: - Community Fire Safety, Resource Management, Asset Management, HR, Payroll, Finance & Planning Data duplication will be reduced and the efficiency and effectiveness of both our processes and MI will increase</p>	<p>Overall RAG</p> 
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Finance		Plan		Risks & Issues		Scope		Resources	
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Exec Summary – Past Period’s Activities

Finance

- PID signed off
- Implementation plan signed off
- System build started
- Training plan completed

HR & Payroll

- Carly Humphrey joined the team as HR/Payroll Project support
- HR and payroll team attended 3 day intro workshop
- Training plan completed
- Implementation plan signed off
- Blueprint for Payroll and Absence completed
- System build started
- Draft structure build completed

PRM

- Costs agreed and moved in to 10 days standstill period
- Contract awarded to Active Informatics
- Agreed Operational Resource support for the project, funded from current budget, starts Oct
- Started to review Risk Data currently held, this will take until Dec’16

Key Decisions Required:

- None

Priorities for Next Period - August

Finance

- Start training - GL/BDM/Job costing
- Continue with system build





HR & Payroll

- Visit other FRS with iTrent to gain insight into how the system operates and implementation learnings
- Extract data from SAP in prep for transfer
- Sign off structure builder
- Start training – Automating your processes



PRM

- Complete contract negotiations
- Continue with Risk data review
- Agree how risk data should be managed

Key Milestones


Milestone	Forecast/ Actual	RAG
Project Kick off Meeting with Capita/MHR and senior end users	Early May	
Premises Risk Management Supplier agreed	End of June	
Next BTB	19 th May	
Next O&A	27 th Jul	



Key Risks & Issues

Risk/ Issue	RAG	Description	Mitigating Action	Next Action
R		New systems and ways of working that impact BASI	Continue to engage with Stakeholders Support from Sponsors to encourage their team to engage BASI team on new WOW and systems early in the process	Ongoing
R		Budget Management	Review monthly	Ongoing

Appendix B: Sponsor Highlight Report – June 2016

Business & Systems Integration project – June 2016

Business Owner: Project Manager: Business Sponsors:	Julian Parsons Anne-Marie Carter Lynne Swift David Sutherland	Project Objectives: To streamline, automate and integrate systems and business processes across: - Community Fire Safety, Resource Management, Asset Management, HR, Payroll, Finance & Planning Data duplication will be reduced and the efficiency and effectiveness of both our processes and MI will increase	Overall RAG 
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Finance		Plan		Risks & Issues		Scope		Resources	
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Exec Summary – Past Period’s Activities

Finance

- Scoping completed via 2 day workshop
- Spreadsheets completed for data move to Integra
- Implementation plan drafted

HR & Payroll

- SAP data cleanse completed
- Pre work completed in prep for supplier being on site
- Implementation plan drafted

PRM

- 6 suppliers presented
- Tender group agreed supplier

Other

- Started talks with B.C.C to support with migration away from SAP

Key Decisions Required:

- None

Priorities for Next Period - July

Finance

- Build system
- Sign off implementation and training plans


HR & Payroll



- HR & Payroll team to attend 3 days workshop for an intro to iTrent
- Scope and start build of system
- Sign off implementation and training plans

PRM

- Negotiate costs and move in to 10 days standstill


Key Milestones

Milestone	Forecast/ Actual	RAG
Project Kick off Meeting with Capita/MHR and senior end users	Early May	
Premises Risk Management Supplier agreed	End of June	
Next BTB	19 th May	
Next O&A	27 th Jul	

Risk/ Issue	RAG	Description	Mitigating Action	Next Action
R		Resource availability	- Work with Stakeholders to build implementation plan - Agreement reached on HR resources needed and backfill plan/costs	Closed
R		Budget Management	Review monthly	Ongoing

Appendix C: Sponsor Highlight Report – May 2016

Business & Systems Integration project – May 2016

<p>Business Owner: Project Manager: Business Sponsors:</p>	<p>Julian Parsons Anne-Marie Carter Lynne Swift David Sutherland</p>	<p>Project Objectives: To streamline, automate and integrate systems and business processes across: - Community Fire Safety, Resource Management, Asset Management, HR, Payroll, Finance & Planning Data duplication will be reduced and the efficiency and effectiveness of both our processes and MI will increase</p>	<p>Overall RAG</p> 
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Finance		Plan		Risks & Issues		Scope		Resources	
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Exec Summary – Past Period’s Activities

Finance

- Kick off meeting held
- PID completed covering Finance, HR & Payroll
- Process maps complete for As-Is and To-Be

HR & Payroll

- Agreed HR Resource support for the project, funded from current budget, starts 4th July
- SAP Data cleanse started
- Kick off meeting held

PRM

- 8 responses received to tender
- Tenders evaluated with 6 suppliers invited to present

Other

-

Key Decisions Required:

- None

Priorities for Next Period - June

Finance, HR & Payroll

- Complete system design document





HR & Payroll

- Complete SAP data cleanse


PRM

- Supplier presentations take place
- Tender team to agree supplier

Key Milestones

Milestone	Forecast/ Actual	RAG
Project Kick off Meeting with Capita/MHR and senior end users	Early May	
Premises Risk Management Supplier agreed	End of June	
Next BTB	19 th May	
Next O&A	27 th Jul	

Risks & Issues

Risk/ Issue	RAG	Description	Mitigating Action	Next Action
R		Resource availability	- Work with Stakeholders to build implementation plan - Agreement reached on HR resources needed and backfill plan/costs	June
R		Budget Management	Review monthly	Ongoing

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Appendix D: Spend Breakdown

Summary:

	2015/16	2016/17	2017/18	Total
	£000	£000	£000	£000
Budget		590	410	1,000
Spent	34	51	0	85
Committed		398	159	557
Earmarked		44	314	358
Total	34	493	473	1,000

Contingency of £200k is not needed in 16/17

Please note:

- All figures as at end of July 2016
- Spent = Purchase Order paid
- Committed = Purchase Order raised
- Earmarked = For Asset & Resource Management systems replacement

Appendix E: Go Live Dates

Area	Target Go Live	Tracking
Finance	April 2017	On track
HR – Phase 1	April 2017	On track
HR – Phase 2	August 2017	On track
Payroll	April 2017 1 st Pay run at end of April '17	On track
Premises Risk Management	TBC – Mid 2017	N/A
Resource Management	TBC – Late 2017	N/A
Asset Management	TBC – Late 2017	N/A

System Descriptions:

Finance: Replacement of SAP covering all areas of Finance and Planning

HR – Phase 1: Replacement of SAP covering Core HR, Absence, Pensions, Costing, Security and Employee and Manager Self Service

HR – Phase 2: Replacement of SAP covering Learning Events, People Development, Discipline and grievance, Dashboards, Org Charting, Recruitment/web recruitment

Payroll: Replacement of SAP covering all Payroll elements

Premises Risk Management: Currently some of our key information on premises we visit or need to contain information on, is held in Microsoft Access databases. While these databases have served a purpose they have become increasingly unfit for the demands we put upon them and do not operate efficiently in our current environment. The new database will allow much more advanced collection and management of data. This is mainly in these key areas:

- Home Fire and Risk Checks and prevention activities;

- Site Specific Risk Information. This is the data used by our firefighters when attending operational incidents;
- Fire Protection Audits. This is the data collected as part of our activities in enforcing fire safety regulations in commercial premises.

The new software will allow us to collect and manage data in a completely paperless way by using mobile technology.