

**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
Louise Harrison

To: The Members of the Overview and Audit Committee

8 July 2024

**MEMBERS OF THE PRESS
AND PUBLIC**

Please note the content of
Page 2 of this Agenda Pack

Dear Councillor

Your attendance is requested at a meeting of the **OVERVIEW AND AUDIT COMMITTEE** of the **BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY** to be held in the **PARALYMPIC ROOM, THE GATEWAY OFFICES, GATEHOUSE ROAD, AYLESBURY, BUCKS. HP19 8FF** on **WEDNESDAY 17 JULY 2024 at 10.00 AM** when the business set out overleaf will be transacted.

Yours faithfully

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

Graham Britten
Director of Legal and Governance

Health and Safety

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

Councillors Adoh, Bagge, Carroll, Chapple OBE, Exon, Hussain OBE, Khan, Stuchbury and Sullivan



MAKING YOU SAFER



To observe the meeting as a member of the Press and Public

The Authority supports the principles of openness and transparency. To enable members of the press and public to see or hear the meeting this meeting will be livestreamed. Please visit: <https://www.youtube.com/channel/UCWmIXPWAscxpL3vliv7bh1Q>

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

Adjournment and Rights to Speak – Public

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

A request to speak on a specified agenda item should be submitted by email to gbritten@bucksfire.gov.uk by 4pm on the Monday prior to the meeting. Please state if you would like the Director of Legal and Governance to read out the statement on your behalf, or if you would like to be sent a 'teams' meeting invitation to join the meeting at the specified agenda item.

If the meeting is then adjourned, prior to inviting a member of the public to speak, the Chairman should advise that they:

- (a) speak for no more than four minutes,
- (b) should only speak once unless the Chairman agrees otherwise.

The Chairman should resume the Meeting as soon as possible, with the agreement of the other Members present. Adjournments do not form part of the Meeting.

Rights to Speak - Members

A Member of the constituent Councils who is not a Member of the Authority may attend Meetings of the Authority or its Committees to make a statement on behalf of the Member's constituents in the case of any item under discussion which directly affects the Member's division, with the prior consent of the Chairman of the Meeting which will not be unreasonably withheld. The Member's statement will not last longer than four minutes. Such attendance will be facilitated if requests are made to enquiries@bucksfire.gov.uk at least two clear working days before the meeting.

Statements can be read out on behalf of the Member by the Director of Legal and Governance, or the Member may request a 'teams' meeting invitation to join the meeting at the specified agenda item.

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

Questions

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

OVERVIEW AND AUDIT COMMITTEE

TERMS OF REFERENCE

Overview

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

Audit

1. To determine the internal and external audit plans and the Internal Audit Strategy
2. To determine the Internal Audit Annual Plan and Annual Report (including a summary of internal audit activity and the level of assurance it can give over the Authority's governance arrangements).
3. To consider and make recommendations on action plans arising from internal and external audit reports, including arrangements to ensure that processes which deliver value for money are maintained and developed.
4. To consider and make recommendations to the Executive Committee on reports dealing with the management and performance of the providers of internal audit services.
5. To consider and make recommendations on the external auditor's Annual Audit Letter and Action Plan, relevant reports and the report to those charged with governance.
6. To consider specific reports as agreed with the Treasurer, Internal Audit, Monitoring Officer, Chief Fire Officer, or external audit and to make decisions as appropriate.
7. To comment on the scope and depth of external audit work and to ensure it gives value for money.
8. To oversee investigations arising out of fraud and corruption allegations.

9. To determine Insurance matters not delegated to officers, or another committee.
10. To consider and determine as appropriate such other matters as are required in legislation or guidance to be within the proper remit of this Committee.

Governance

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

Risk

1. To monitor the effective development and operation of risk management and corporate governance within the Authority.

2. To consider reports dealing with the management of risk across the organisation, identifying the key risks facing the Authority and seeking assurance of appropriate management action.

Employees

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

General

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

AGENDA

Item No:

1. Election of Chairman

To elect a Chairman for 2024/25

2. Appointment of Vice-Chairman

To appoint a Vice-Chairman for 2024/25

3. Apologies

4. Minutes

To approve, and sign as a correct record the Minutes of the meeting of the Overview and Audit Committee held on 13 March 2024 (Item 4) **(Pages 9 - 20)**

5. Matters Arising from the Previous Meeting

The Chairman to invite officers to provide verbal updates on any actions noted in the Minutes from the previous meeting.

6. 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.

7. Questions

To receive questions in accordance with Standing Order SOA7.

8. External Audit Plan 2023-24

To consider item 8 **(Pages 21 - 50)**

9. 2023/24 Annual Audit Report

To consider item 9 **(Pages 51 - 80)**

10. Corporate Risk Management

To consider item 10 **(Pages 81 - 106)**

11. 2022/23 Statement of Assurance

To consider item 11 (Pages 107 - 134)

12. Annual Governance Statement 2023/24

To consider item 12 (Pages 135 - 164)

13. Treasury Management Performance 2023/24

To consider item 13 (Pages 165 - 176)

14. Forward Plan

To note Item 14 (Pages 177 - 178)

15. Exclusion of Public and Press

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

16. Exempt Minutes

To approve, and sign as a correct record the Exempt Minutes of the meeting of the Overview and Audit Committee held on 13 March 2024 (Item 16)

17. Date of Next Meeting

To note that the next meeting of the Overview and Audit Committee will be held on Thursday 7 November 2024 at 10 am.

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

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Buckinghamshire & Milton Keynes Fire Authority

Minutes of the Meeting of the OVERVIEW AND AUDIT COMMITTEE of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY held on WEDNESDAY 13 MARCH 2024 at 10.00 AM.

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

Officers: S Tuffley (Assistant Chief Fire Officer), G Britten (Director of Legal and Governance), M Hemming, (Director of Finance and Assets), A Carter (Head of Technology, Transformation and PMO), M Hussey (Principal Accountant), K Nellist (Democratic Services Officer), S Gowanlock (Corporate Planning Manager), J Cook (Community Safety and Safeguarding Manager), A Stunell (Head of Human Resources), P Scanes (Head of Prevention and CRMP), M Gibb (Internal Audit Manager, Buckinghamshire Council), A Prestridge (Internal Audit, Buckinghamshire Council)

Remotely: M Osborne (Deputy Chief Fire officer)

Apologies: Councillors Fuller and Hussain

The Chairman welcomed Members to the Overview and Audit Committee Meeting of the Buckinghamshire & Milton Keynes Fire Authority and advised that although members of the public were allowed to attend and observe in limited numbers, the meeting was being recorded and a copy would be uploaded onto the Authority's YouTube channel.

<https://www.youtube.com/channel/UCWmIXPWAscxpL3vliv7bh1Q>

OA35 MINUTES

RESOLVED –

That the Minutes of the meeting of the Overview and Audit Committee held on Wednesday 8 November 2023, be approved, and signed by the Chairman as a correct record.

OA36 MATTERS ARISING FROM THE PREVIOUS MINUTES

OA22 – Committee Matters – A Grievance Panel and a Grievance Appeal Panel be appointed – The Director of Legal and Governance advised that these panels would be constituted if needed.

OA23 – Internal Audit – (a) Update on Progress of Audit Recommendations - The Director of Finance and Assets advised that

a link would be added on the cover report in the background papers section of the HMICFRS report (this links to the full report – there isn't a report containing just the causes of concern).

The Director of Finance and Assets advised Members that there was no formal paper from External Audit for this meeting because the situation had been fairly fluid, and the plan had been discussed with the External Auditors recently to see what the plan was going forward. As Members would be aware, nationally there was a massive backlog on audits and there were plans and draft legislation on how to clear that backlog. The plan at the moment for the 2022/23 accounts, which were still open, was that the Auditors would do the external audit for the value for money part only, and the rest of the accounts, would be given a disclaimer opinion. Part of the reason for that was the change in auditors from 1 April under the new audit contract. In the interest of expediency, the plan was to disclaim those set of accounts and start a clean slate going forward to try and get back onto the regular timetable of getting the accounts audited in line with statutory deadlines.

Both EY and the new auditors KPMG plan to come and give a much fuller update at the July Committee meeting.

External Auditors to attend next meeting.

OA37 DISCLOSURE OF INTERESTS

Councillor Chapple OBE declared an interest in Item 14 and would leave the meeting at that item.

OA38 RIPA POLICY (MINUTE OA39 – 090316)

The Director of Legal and Governance advised Members that this was a standing item on the agenda and the reason for this was a recommendation from the Office of the Surveillance Commissioner. The last triennial inspection occurred pre Covid and during the Covid period, the Authority got notification that the Office of the Surveillance Commissioner would no longer be undertaking inspections. Responsibility had now passed over to the Investigatory Powers Commission and no annual returns were sent in by standalone fire and rescue authorities, as no fire and rescue authorities in England and Wales had ever used those powers. Given that this Authority was no longer inspected, and the powers were never used, it was agreed that in the new municipal year, the item would be dropped from the agenda.

A Member asked if this would still be monitored internally.

The Director of Legal and Governance advised that currently, and would continue, to be a standing item on the Performance

Monitoring Board agenda. If by exception the Authority ever used those powers, before the power to use it was removed by legislation, it would be reported to this Committee.

RESOLVED –

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

OA39 INTERNAL AUDIT REPORTS

(a) UPDATE OF PROGRESS OF AUDIT MANAGEMENT ACTIONS

The Internal Audit Manager advised that the purpose of this report was to update Members on the status of the agreed audit management actions and the progress against implementation. There were 40 actions of which 22 had been fully implemented. 10 were in progress and 8 were past the due date. However, this had now fallen to 5 as 3 actions related to the Blue Light Hub and the dates had been changed slightly to allow for a full project evaluation report to be prepared.

A Member asked about the risk around technology.

The Internal Audit Manager was happy with the work that had been done in this area and how the risks were being mitigated.

The Director of Finance and Assets advised that in terms of cyber risk, this was a big risk and therefore was on the Corporate Risk Register as a potential risk. The Authority had good IT defences and also a mandatory training module rolled out to end users.

RESOLVED -

That Members note the progress on the Annual Internal Audit Actions.

(b) 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 Committee meeting. A slightly different approach had been taken to the Medium Term Financial Plan Assurance Review, as this was more of a consultancy assurance type review looking for improvement opportunities in the processes that were currently in place. This review was carried out by Mazars, who were Internal Audit partners, who had the benefit of seeing these processes across a number of other organisations, so could recommend areas of best practice to improve the processes. The Executive Summary gave an overview of the observations of each of the areas covered. The areas looked at were process and controls;

people and skills, data and financial analysis, objectives and goals, compliance and risk management and monitoring and delivery.

A Member asked if the amount of reds in the report was excessive, normal or in line with what was expected.

The Internal Audit Manager advised that the reds being discussed on page 50 were actually amber and apologised if the colour was not clear in the hard copy report. There was only one red in the report.

The Director of Finance and Assets gave Members reassurance that the overall financial risk was amber, there were some challenges, but the Authority was in a good position although there were some uncertainties that persist for example USAR funding and business rates. On this report, the high priority risks were not financial risks, but more around the processes and making sure it aligned with corporate priorities and the risk register. It was very helpful to improve future processes.

A Member asked about the sentence 'clarity in changes' what changes had been made and by whom.

The Director of Finance and Assets advised Members that this recommendation referred to a spreadsheet that sat in the background to build the budget. There would only be a limited amount of people who would have access to it. To reassure Members everything went through internal governance and any changes were well documented.

A Member asked about risk ownership and asked for the timeline of work, in relation to the oversight of risks reference and approved bids and how they were carried out.

The Director of Finance and Assets advised Members that this related to when the growth bids were presented, when building the budget. The growth bid process for next year would start around June/July time and the project documentation would be refreshed taking on a number of the recommendations and making sure there were clear links between the risks and the financials.

The Internal Auditor advised that the Core Financial Controls audit looked at key financial controls and payroll controls which were in place. It was given an overall assurance opinion of Substantial, with two medium priority actions around expenses and debtors and two low priority actions around purchasing cards and transactions held in suspense. There was also a follow up on actions raised as part of the

2022/23 audit and these were all fully implemented. The South Central Ambulance Service debt which made up 91% of the Authority's debt profile had now been paid and evidence of that had been received following the audit.

The Contract and Critical Supplier Management audit had been finalised and the overall opinion for this audit was Reasonable, with one high, four medium and one low priority findings raised.

RESOLVED –

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

(c) INTERNAL AUDIT STRATEGY AND ANNUAL INTERNAL AUDIT PLAN 2024/25

The Internal Audit Manager advised Members that the 2023/24 audit plan had been fully delivered and the final annual opinion report would come to the next meeting. The final paper was the Internal Audit Strategy and the proposed Internal Audit Plan for 2024/25 for the next financial year. There were no material changes in the strategy. The Internal Audit Plan had been drafted in consultation with the Senior Management Team and with consideration for the Corporate Plan, strategic risks and also any previous audit activity.

RESOLVED -

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

OA40 CORPORATE RISK MANAGEMENT

The Corporate Risk Manager advised Members that there had been no changes to the risk scores or RAG Status, or any new items added to the Corporate Risk Register, since it was last reviewed by this Committee at the November meeting. However, since then, it had been regularly reviewed by officers at the Performance Monitoring and Strategic Management Boards and also by Lead Members where individual risks fell within their areas of reference.

Although there had been no fundamental changes to the risk assessments, there had been some developments in relation to some of the risks. Firstly, regarding the Workforce Availability risk, Strikes and the Minimum Service Levels regulations for fire and rescue services which were laid before Parliament in February in the form of a draft Statutory Instrument, officers would continue to monitor their progress. In terms of timescales for implementation, officers had been advised by the Home Office that the next step was a three month engagement period with the Unions, following which

they would then be subject to further consultations before they were finalised and come into force.

With regard to the financial stability risk, officers had kept the risk score and RAG status at the low end of the medium spectrum but would keep this under active review, given that there were some ongoing uncertainties in relation to some of the Authority's key revenue streams, particularly business rates and also some of the government grant funding for USAR and pensions.

With regard to the climate change risk, the Service had provided support to Royal Berkshire Fire and Rescue Service (RBFRS) during the fluvial and groundwater flooding that occurred in January across parts of the Thames Valley. Over the border support had been the subject of much discussion in recent months, and this presented an example that it does work both ways, particularly in relation to more specialised forms of support.

Finally, with regard to the values and culture risk and, in particular, following recent events at South Wales Fire and Rescue Service (SWFRS), since the publication of the findings of the independent review of issues that began to emerge early last year, as part of the Service's own ongoing work to identify and mitigate any similar risks here, Officers were carrying out a full review of the findings and recommendations in the SWFRS report to see if there were any implications that were not already being addressed in existing action plans.

A Member asked if the employment issue and the government legislation around right to strike was an open topic for Members to discuss.

The Director of Legal and Governance advised Members that this was in regard to the decision taken in exempt session at the Fire Authority meeting on 14 February 2024. It was still subject to a communications plan that had not yet been rolled out, so there were still some commercial sensitivities in respect of the details of that decision. If it was a discussion about the Minimum Service Levels regulations which the Corporate Planning Manager did indicate were still a way from coming into force, then that would be in order for the Committee to consider as part of the Corporate Risk.

A Member asked how this change in employment rights had been received by employees.

The Assistant Chief Fire Officer advised that the Fire Brigades Union (FBU) had responded on behalf of the majority of operational employees who were members to say they oppose these proposals.

Officers would continue to work in dialogue with the FBU and employees as it was progressed through legislation.

The Director of Legal and Governance advised Members that industrial action was already on the Corporate Risk Register, which comes to every Overview and Audit Committee meeting, and so would feature in future discussions and in respect of this specific issue, a lot more would be in the public domain before the Committee meets again.

A Member was pleased to see that progress was being made in relation to workforce availability but was concerned about progress with facilities available to female firefighters at Newport Pagnell Fire Station, and questioned whether the issue was being taken seriously with potential implications for recruitment and retention.

The Director of Finance and Assets advised that the issue around Newport Pagnell Fire Station was that it was not designed to have staff sleeping on station as it was a day crewed station, but things change. The Property Manager had advised that the electrics and data and cabling had all been reconfigured. Within the next seven working days it should all be complete with new walls, redecorated with repurposed areas and dedicated dormitory facilities for females. Over the next few months, there would be a survey of property standards at all stations, including engaging with staff and this would be brought back to a future meeting.

Director of
Finance & Assets

A Member asked how much lobbying had been done with the government to increase funding.

The Director of Finance and Assets advised that in terms of lobbying, the NFCC Fire Finance Network was involved at a national level regarding lobbying and speaks to the Home Office every couple of weeks in terms of plans going forward. Ultimately, because it was an election year, there was an overall desire to keep the level of council tax down nationally. It would depend on the timing of the next comprehensive spending review, and when the next election was, as to whether it would roll over or there would be a longer term view. The two asks were £5 flexibility every year on council tax and making sure the government grants were increased in line with inflation each year.

RESOLVED –

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

OA41 HIS MAJESTY’S INSPECTORATE OF CONSTABULARY AND FIRE AND RESCUE SERVICES (HMICFRS) – BUCKINGHAMSHIRE FIRE AND RESCUE SERVICE (BFRS) 2023-2025 UPDATE

The Head of Technology, Transformation and PMO advised Members that in October 2023, the Service received its 2023-2025 round three HMICFRS Inspection Report. The report detailed three causes of concern focused on Prevention, Protection and Equality, Diversity and Inclusion (EDI). The report was presented to the Extraordinary Fire Authority meeting on the 24 October with input from HMI Roy Wilshire. An HMICFRS Action Plan was developed and submitted on 15 November and presented to the Authority on 6 December.

This report showed progress against the Action Plan. Five actions were now completed as at the end of January 2024, and in the report key progress was highlighted against the three causes of concern. The six actions that were shown as not started were due to their start dates being after the report's submission, not that they were overdue. Whilst this report focuses on causes of concern, work also continued on the areas for improvement and a more detailed update would be provided on those at the next update.

In November 2023 HMICFRS informed the Service that it would be entering the supportive engage process. The focus of the engage process was to assist in finding ways to improve and resolve the identified causes of concern and provide a better service to the public.

Officers attended the first Fire Performance Oversight Group and had received positive feedback, and the next meeting was planned for June. To ensure focus on the Action Plan and to support the engage process, the Service set up the HMICFRS Improvement Board, chaired by the Chief Fire Officer. These meetings take place monthly and were attended by the strategic owners of the Action Plan, HMICFRS and the Fire Brigades Union (FBU).

Officers were now preparing for the HMICFRS revisit in May 2024 which would focus predominantly on Prevention and Protection causes of concern with a small element on EDI. Included in this report was an update on the HMICFRS values and culture recommendations. There were four recommendations in progress which would be completed before the next update.

A Member asked if officers agreed that the actions were being progressed slowly enough to get it right, rather than rushing because there was a bad reaction to the report.

The Head of Technology, Transformation and PMO advised Members that looking at EDI, there were a large number of actions around EDI

because officers understood the importance of it. The other part was trying to find a balance of taking action quickly, but then ensuring it was sustainable and monitored and actually having impact on the end users and making a difference.

The Deputy Chief Fire Officer advised that one of the things raised at the Fire Performance Oversight Group by HMI Andy Cooke was around continual and sustainable improvement and that's what the Service was aiming to demonstrate in all the key areas, making sure everything was embedded and how it links to future performance measures for all of those actions contained within the report. Officers were working very closely with HMICFRS, the National Fire Chiefs Council and other strategic support sponsors, in order to ensure that all the improvements were sustainable and continue as the Service moved forward.

The Head of Technology, Transformation and PMO advised that at the time of writing the terms of reference, the Assistant Chief Fire Officer was covering the Prevention element. The terms of reference for both the improvement board and the tactical group were being reviewed and there would remain representation for the Prevention aspects of the causes for concern.

RESOLVED –

That the HMICFRS 2023-2025 Update be noted.

OA42 PREVENTION IMPROVEMENT PLAN – SEPTEMBER/DECEMBER 2023

The Community Safety and Safeguarding Manager advised Members that the Prevention Improvement Plan was introduced in Autumn 2021. It brought together the recommendations of the Prevention Evaluation and the findings of the 2021 HMICFRS Inspection Report, along with the elements of the Prevention Fire Standard that was also launched in that year. 41 of the 60 recommendations were now complete. Work had commenced on the development of the PRMS system, which would, when completed, close a further eight recommendations that were outstanding, including a reduction in PRMS questions and risk stratification both of which were key pieces of work and were in the test phase. A revision of the processes associated with the Fire Setter Intervention Scheme was due to be completed by April and this would align it to the nationally termed Fire Safety Intervention model and the work that had been undertaken by the National Fire Chiefs Council.

Since writing this report, three recommendations had also been closed. The Service was now in a good place with the plan for it to be closed as an Improvement Plan in April 2024 and move to a Prevention Business Delivery Plan for any outstanding actions at that point that were considered to be ongoing. Such items would include

further development in the evaluation of prevention activity. Whilst there was an agreed process in place that had gone through the relevant governance, this would be reviewed to align with the national evaluation model for prevention that was due to launch following its testing completing in May this year. This alignment would enable the Service to compare its prevention activity across the country. Other areas related to this were the means through which the Service would achieve the requirements of the Serious Violence Duty, which was a statutory obligation for the Service.

RESOLVED –

That the Prevention Improvement Plan highlight report (September – December 2023) summarising the progress made against the measures required to secure long-term improvements to Prevention delivery in Buckinghamshire Fire & Rescue Service (BFRS) is noted.

OA43 TREASURY MANAGEMENT PERFORMANCE 2023/24 – APRIL TO DECEMBER 2023

The Principal Accountant presented to Members the Treasury Management Performance report for financial year 2023/24 – April to December 2023. The accrued interest earned for this period was £707k, which was £444k higher than the budget set for the same period and £357k higher than the budget set for the year.

In terms of investments, as at 31 December 2023, the Authority had £19.9m invested in various counterparties including, banks, buildings societies, Money Market Funds and current accounts. By March 2024 this would reduce to approximately £17m.

In terms of borrowing, a PWLB loan was repaid early during 2023/24 for £627k and the Authority received a discount by doing so. The next loan due to mature this month was for £1m. Funds had been set aside to repay this when due. These loan repayments do not impact the revenue budgets.

The Bank of England's Monetary Policy Committee (MPC) had increased the base rate on 14 consecutive occasions since December 2021. With the current interest base rate being 5.25%. The next review date was 21 March 2024. The treasury advisors were projecting the base rate would not increase and for a steady reduction over the next 18 months. The Authority had been able to benefit from these rates increasing when reinvesting surplus funds and, therefore, generate additional income for the Service.

The Principal Accountant confirmed the Authority had achieve the £350k budget set for 2023/24 and was projecting to achieve in the region of £900k-£950k, which would be more than was paid out in loan interest of £217k.

As part of the 2024/25 budget setting and MTFP process, the investment budget had doubled to £700k. The budget set was achievable, and this income would be used to support the revenue expenditure.

A Member asked why was the Authority rushing to repay loans, what was the advantage of this.

The Director of Finance and Assets advised Members that no future borrowing was being forecast in the Medium Term Financial Plan, there was not a refinancing risk. A lot of the loans were historical and depending on the level of interest rates, there was either a discount or a premium to be paid when repaying them.

The Director of Finance and Assets advised that at the last Authority meeting, Members asked for a benchmarking report, which would be brought to the next meeting.

RESOLVED –

That the Treasury Management Performance 2023/24 – April to December 2023 report be noted.

OA44 FORWARD PLAN

The Director of Finance and Assets advised Members that there would also be an update from External Audit at the next meeting.

RESOLVED –

That the Forward Plan be noted.

OA45 EXCLUSION OF PUBLIC AND PRESS

RESOLVED –

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

Councillor Chapple OBE left the meeting.

OA46 LOCAL PENSIONS BOARD UPDATE

The Committee considered the report, details of which are noted in the exempt minutes.

RESOLVED –

That the report be noted.

Director of
Finance & Assets

THE CHAIRMAN CLOSED THE MEETING AT 11.15 AM

DRAFT



Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 17 July 2024

Report title: External Audit Plan 2023-24

Lead Member: Councillor David Carroll

Report sponsor: Mark Hemming, Director of Finance and Assets

Author and contact: Philip Kent, KPMG

Action: Noting.

Recommendations: That the Committee note the content of the report.

Executive summary:

The report at Annex A sets out the plan of activity for the Authority's external auditors, KPMG, for their work in relation to the financial year 2023-24.

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

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

Legal implications: None

Privacy and security implications: None

Duty to collaborate: None.

Health and safety implications: None

Environmental implications: None.

Equality, diversity, and inclusion implications: None.

Consultation and communication: None.

Background papers: None

| Appendix | Title | Protective Marking |
|----------|-----------------------------------|--------------------|
| 1 | Annex A – KPMG Audit Plan 2023-24 | |

Buckinghamshire and Milton Keynes Fire Authority

DRAFT Report to the Overview and Audit
Committee

Indicative External Audit Plan & Strategy for the year
ending 31 March 2024

17 July 2024

Introduction

To the Overview & Audit Committee of Buckinghamshire & Milton Keynes Fire Authority

We are pleased to have the opportunity to meet with you on 17 July 2024 to discuss our audit of the financial statements of Buckinghamshire & Milton Keynes Fire Authority for the year ending 31 March 2024.

We have been appointed as your auditors by Public Sector Audit Appointments Ltd. The audit is governed by the provisions of the Local Audit and Accountability Act 2014 and in compliance with the NAO Code of Audit Practice.

The NAO is consulting on a new Code of Audit Practice for 2023/24, therefore this plan will remain draft until the finalisation of that Code. Our planning activities are still ongoing so risks identified in this plan are indicative and are subject to change as our planning work continues. This report also outlines a proposed timetable for our audit.

We note that an audit opinion has not been expressed on the prior period, once the prior period audit opinion has been expressed we will communicate any significant changes to the planned approach.

At this stage we are yet to complete our VFM risk assessment, this will be reported to a future Committee meeting. We have set out our approach to our VFM work and a likely significant risk on page 12.

We provide this report to you in advance of the meeting to allow you sufficient time to consider the key matters and formulate your questions.

The engagement team

Katie Henry is the engagement director (key audit partner) on the audit. She has 11 years of experience and previously worked within the Local Government audit sector.

Philip Kent is the engagement senior manager responsible for your audit. He has over 5 years experience in the Local Government sector and 9 years of experience in public sector audit. He also lives within the area of the Authority's operations.

Other key members of the engagement team include Bilal Ahsan who will lead our fieldwork.

Yours sincerely,



Katie Henry

Director, KPMG LLP

13 May 2024

| Contents | Page |
|---|------|
| Overview of planned scope | 3 |
| Significant risks and Other audit risks | 5 |
| Mandatory communications | 10 |
| Value for money risk assessment | 12 |
| Appendix | 15 |

How we deliver audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion. We consider risks to the quality of our audit in our engagement risk assessment and planning discussions.

We define 'audit quality' as being the outcome when audits are:

- Executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality controls and
- All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

We depend on well planned timing of our audit work to avoid compromising the quality of the audit. This is also heavily dependent on receiving information from management and those charged with governance in a timely manner. We aim to complete all audit work no later than 2 days before audit signing. As you are aware, we will not issue our audit opinion until we have completed all relevant procedures, including audit documentation.

The audit undertaken in the current year is dependent on the finalisation of the previous auditor's work over historical financial statements.

Overview of planned scope including materiality

Our materiality levels

We determined materiality for the entity financial statements at a level which could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. We used a benchmark of total forecast expenses which we consider to be appropriate given the sector in which the entity operates, its ownership and financing structure, and the focus of users.

We considered qualitative factors such as stability of legislation, borrowing levels, and lack of shareholders when determining materiality for the financial statements as a whole.

To respond to aggregation risk from individually immaterial misstatements, we design our procedures to detect misstatements at a lower level of materiality £487k / 65% of materiality driven by our expectations of increased level of undetected or uncorrected misstatements in the period.

We will report misstatements to the Audit Committee including:

- Corrected and uncorrected audit misstatements above £37.5k.
- Errors and omissions in disclosure (corrected and uncorrected) and the effect that they, individually and in aggregate, may have on our opinion.
- Other misstatements we include due to the nature of the item.

Control environment

The impact of the control environment on our audit is reflected in our planned audit procedures. Our planned audit procedures reflect findings raised in the previous year and management's response to those findings.

As the predecessor auditor has not yet completed their audits, we have not yet determined the impact of the control environment on our audit work.

File review

We will undertake an appropriate prior year file review dependent on the final opinion issued by the previous auditors.

Materiality

| | |
|--|-----------------------------------|
| Materiality for the financial statements as a whole | £750k 2.1% of benchmark |
| Procedures designed to detect individuals errors at this level | £487k |
| Misstatements reported to the Audit Committee | £37.5k |

Overview of planned scope including materiality

Timing of our audit and communications

We will maintain communication led by the engagement Director and Senior Manager throughout the audit. We set out below the form, timing and general content of our planned communications. Due to the work of previous auditors still on-going, we will be communicating dates for audit completion at a future Committee meeting.

- Kick-off meeting in December 2023 with management where we present our draft audit plan outlining our audit approach and discuss management's progress in key areas;
- Overview & Audit Committee meeting in July 2024 where we present our final audit plan;
- Status meetings with management where we communicate progress on the audit plan, any misstatements, control deficiencies and significant issues;
- Closing meeting with management where we discuss the auditor's report and any outstanding deliverables;
- Overview & Audit Committee meeting where we communicate audit misstatements and significant control deficiencies; and
- Biannual private meetings can also be arranged with the Committee chair if there is interest.

Using the work of others and areas requiring specialised skill

We outline below where, in our planned audit response to audit risks, we expect to use the work of others such as Internal Audit or require specialised skill/knowledge to perform planned audit procedures and evaluate results.

| Others | Extent of planned involvement or use of work |
|---|--|
| Internal Audit | We will review the work of internal audit as part of our risk assessment procedures but will not place reliance on their work. |
| IT audit team members | Our IT audit colleagues will perform our documentation of understanding the IT environment and any associated testing of general IT controls and/or automated controls where identified. |
| KPMG Pensions Centre of Excellence | We will involve our pensions colleagues to review the pension liability valuation on the balance sheet during our audit. This will involve assessing the work of the pension fund actuaries including the relevant assumptions used. |

Significant risks and Other audit risks

Our risk assessment draws upon our understanding of the applicable financial reporting framework, knowledge of the business, the sector and the wider economic environment in which the Authority operates.

We also use our regular meetings with senior management to update our understanding and take input from sector audit teams and internal audit reports.

Due to the current levels of uncertainty there is an increased likelihood of significant risks emerging throughout the audit cycle that are not identified (or in existence) at the time we planned our audit. Where such items are identified we will amend our audit approach accordingly and communicate this to the Overview & Audit Committee.

Further detail on our identified risks is shown overleaf.

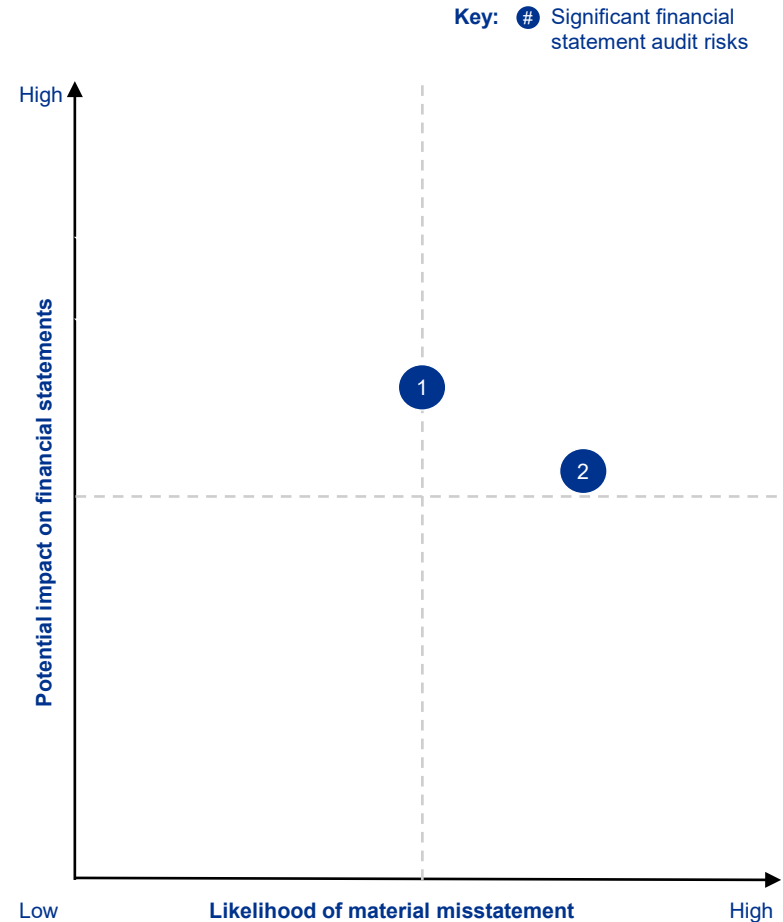
Value for money

We are required to provide commentary on the arrangements in place for ensuring Value for Money is achieved at the Authority and report on this via our Auditor's Annual Report. This will be published on the Authority's website and include a commentary on our view of the appropriateness of the Authority's arrangements against each of the three specified domains of Value for Money: financial sustainability; governance; and improving economy, efficiency and effectiveness.

We have outlined the current status of our risk assessment procedures on page 14.

Significant risks

1. Management override of controls
2. Valuation of post retirement benefit obligations



Audit risks and our audit approach (cont.)

1 Management override of controls^(a)

Fraud risk related to unpredictable way management override of controls may occur



Significant audit risk

Professional standards require us to communicate the fraud risk from management override of controls as significant.

Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We have not identified any specific additional risks of management override relating to this audit at this stage.

Note: (a) Significant risk that professional standards require us to assess in all cases.



Planned response

Our audit methodology incorporates the risk of management override as a default significant risk.

- Assess accounting estimates for biases by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicate a possible bias.
- Evaluate the selection and application of accounting policies.
- In line with our methodology, evaluate the design and implementation of controls over journal entries and post closing adjustments.
- Assess the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.
- Assess the business rationale and the appropriateness of the accounting for significant transactions that are outside the entity's normal course of business, or are otherwise unusual (if any).
- We will analyse all journals through the year using data and analytics and focus our testing on those with a higher risk.

Audit risks and our audit approach (cont.)

2

Valuation of post retirement benefit obligations

Risk that an inappropriate amount is estimated and recorded for the defined benefit obligation



Significant audit risk

The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Authority's pension liability could have a significant effect on the financial position of the Authority.

The effect of these matters is that, as part of our risk assessment, we determined that post retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Authority in completing the year end valuation of the pension deficit and the year on year movements.

We have identified this in relation to the following pension scheme memberships:

- Local Government Pension Scheme, and
- Firefighters pension scheme.



We will perform the following procedures:

- Understand the processes the Authority have in place to set the assumptions used in the valuation;
- Evaluate the competency, objectivity of the actuaries to confirm their qualifications and the basis for their calculations;
- Perform inquiries of the accounting actuaries to assess the methodology and key assumptions made, including actual figures where estimates have been used by the actuaries, such as the rate of return on pension fund assets;
- Agree the data provided by the audited entity to the Scheme Administrator for use within the calculation of the scheme valuation;
- Evaluate the design and implementation of controls in place for the Authority to determine the appropriateness of the assumptions used by the actuaries in valuing the liability;
- Challenge, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data;
- Confirm that the accounting treatment and entries applied by the Authority are in line with IFRS and the CIPFA Code of Practice; and
- Consider the adequacy of the Authority's disclosures in respect of the sensitivity of the deficit or surplus to these assumptions.

Audit risks and our audit approach (cont.)

Expenditure – rebuttal of Significant Risk

Practice Note 10 states that the risk of material misstatement due to fraudulent financial reporting may arise from the manipulation of expenditure recognition is required to be considered.

Having considered the risk factors relevant to the Authority, **we have provisionally determined that a significant risk relating to expenditure recognition is not required.**

Specifically, the financial position of the Authority, (whilst under pressure) is not indicative of a position that would provide an incentive to manipulate expenditure recognition. The Authority is forecasting a small surplus for the financial year, a favourable variance to plan of £275k. Whilst this could be indicative of under-recognition of expenditure, the Authority is forecasting an increase in reserves for the financial year. We therefore do not believe there is any heightened incentive or pressure to under-recognise expenditure.

Furthermore the Authority's capital plan is small compared to materiality, with a provisional outturn of £3.2m which compares to the capital budget of £3.6m. On account of the favourable position to budget there is no incentive to fraudulently expense capital expenditure, and the size of the favourable variance to plan for revenue expenditure implies that the risk of material fraud is remote.

Finally, whilst the Authority's medium term financial strategy (MTFS) does require the use of reserves to balance annual budgets in the short term, the authority maintains a reasonable reserves balance over the course of the five year MTFS suggesting the Authority is not struggling to balance its budget so further reducing the incentive or pressure to fraudulently manipulate the financial statements.

We also considered if the level of the Authority's minimum revenue provision (MRP) could indicate potential fraudulent recognition of MRP expenditure. We note that the majority of the Authority's capital programme is funded through capital grant and therefore there is limited opportunity to fraudulently misstate the financial statements through manipulation of MRP because MRP is only recognised to reflect the requirement to make repayments of debt used to fund capital assets.

We will continue to re-assess whether fraud risk factors arise as we complete our planning procedures and will update the Overview & Audit Committee should our conclusion change.

Audit risks and our audit approach (cont.)

Revenue – rebuttal of Significant Risk

Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk. Due to the nature of the revenue within the sector we have rebutted this significant risk. We have set out the rationale for the rebuttal of key types of income in the table below.

| Description of Income | Nature of Income | Rationale for Rebuttal |
|-------------------------|---|---|
| Council tax | This is the income received from local residents paid in accordance with an annual bill based on the banding of the property concerned. | The income is highly predictable and is broadly known at the beginning of the year, as the Authority recognises the statutory precept it makes of the billing authorities, Buckinghamshire Council and Milton Keynes Council. As the Authority only recognises the precept it issues, we do not deem there to be any realistic opportunity to manipulate the income. |
| Business rates | Revenue received from local businesses paid in accordance with an annual demand based on the rateable value of the business concerned. | |
| Fees and charges | Revenue recognised from receipt of fixed fee services, in line with the fees and charges schedules agreed and approved annually. | The income stream represents high volume, low value sales, with simple recognition. Fees and charges values are agreed annually. The balance is a small multiple of materiality. We do not deem there to be any realistic opportunity to manipulate the income. |
| Grant income | Predictable income receipted primarily from central government. | Grant income at a local authority typically involves a small number of high value items and an immaterial residual population. These high value items frequently have simple recognition criteria and can be traced easily to third party documentation, most often from central government source data. We do not deem there to be any realistic opportunity to manipulate the income. |

Mandatory communications - additional reporting

Going concern

Under NAO guidance, including Practice Note 10 - A local authority's financial statements shall be prepared on a going concern basis; this is, the accounts should be prepared on the assumption that the functions of the authority will continue in operational existence for the foreseeable future. We have not identified any indication that the provision of fire and rescue services in the Authority's location is to be ceased and therefore we have not identified any indication that the accounts would not be prepared on a going concern basis. However, financial sustainability is a core area of focus for our Value for Money opinion.

Additional reporting

Your audit is undertaken to comply with the Local Audit and Accountability Act 2014 which gives the NAO the responsibility to prepare an Audit Code (the Code), which places responsibilities in addition to those derived from audit standards on us. We also have responsibilities which come specifically from acting as a component auditor to the NAO. In considering these matters at the planning stage we indicate whether:



Work is completed throughout our audit and we can confirm the matters are progressing satisfactorily



We have identified issues that we may need to report



Work is completed at a later stage of our audit so we have nothing to report

We have summarised the status of all these various requirements at the time of planning our audit below and will update you as our work progresses:

| Type | Status | Response |
|--|--------|---|
| Our declaration of independence | | No matters to report. The engagement team and others in the firm, as appropriate, have complied with relevant ethical requirements regarding independence. |
| Issue a report in the public interest | | We are required to consider if we should issue a public interest report on any matters which come to our attention during the audit. We have not identified any such matters to date. |
| Provide a statement to the NAO on your consolidation schedule | | This "Whole of Government Accounts" requirement is fulfilled when we complete any work required of us by the NAO to assist their audit of the consolidated accounts of DLUHC. |
| Provide a summary of risks of significant weakness in arrangements to provide value for money | | We are required to report significant weaknesses in arrangements. Work to be completed at a later stage. |
| Certify the audit as complete | | We are required to certify the audit as complete when we have fulfilled all of our responsibilities relating to the accounts and use of resources as well as those other matters highlighted above. |

Mandatory communications

| Type | Statements |
|--|--|
| Management’s responsibilities (and, where appropriate, those charged with governance) | <p>Prepare financial statements in accordance with the applicable financial reporting framework that are free from material misstatement, whether due to fraud or error.</p> <p>Provide the auditor with access to all information relevant to the preparation of the financial statements, additional information requested and unrestricted access to persons within the entity.</p> |
| Auditor’s responsibilities | Our responsibilities set out through the NAO Code (communicated to you by the PSAA) and can be also found on their website, which include our responsibilities to form and express an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities. |
| Auditor’s responsibilities – Fraud | This report communicates how we plan to identify, assess and obtain sufficient appropriate evidence regarding the risks of material misstatement of the financial statements due to fraud and to implement appropriate responses to fraud or suspected fraud identified during the audit. |
| Auditor’s responsibilities – Other information | Our responsibilities are communicated to you by the PSAA and can be also found on their website, which communicates our responsibilities with respect to other information in documents containing audited financial statements. We will report to you on material inconsistencies and misstatements in other information. |
| Independence | Our independence confirmation at page 25 discloses matters relating to our independence and objectivity including any relationships that may bear on the firm’s independence and the integrity and objectivity of the audit engagement partner and audit staff. |

Value for money risk assessment

Value for money

Our value for money reporting requirements have been designed to follow the guidance in the Audit Code of Practice.

Our responsibility is to conclude on significant weaknesses in value for money arrangements.

The main output is a narrative on each of the three domains, summarising the work performed, any significant weaknesses and any recommendations for improvement.

We have set out the key methodology and reporting requirements on this slide and provided an overview of the process and reporting overleaf.

We anticipate issuing our final value for money risk assessment and commentary with our final audit plan.

Risk assessment processes

Our responsibility remains to assess whether there are any significant weaknesses in the Authority's arrangements to secure value for money. Our risk assessment will continue to consider whether there are any significant risks that the Authority does not have appropriate arrangements in place.

In undertaking our risk assessment we will be required to obtain an understanding of the key processes the Authority has in place to ensure this, including financial management, risk management and partnership working arrangements. We will complete this through review of the Authority's documentation in these areas and performing inquiries of management as well as reviewing reports, such as internal audit assessments.

Reporting

As with the prior year our approach to value for money reporting aligns to the NAO guidance and includes:

- A summary of our commentary on the arrangements in place against each of the three value for money criteria, setting out our view of the arrangements in place compared to industry standards;
- A summary of any further work undertaken against identified significant risks and the findings from this work; and
- Recommendations raised as a result of any significant weaknesses identified and follow up of previous recommendations.

The Authority will be required to publish the commentary on its website at the same time as publishing its annual report online.

Significant risks

Our risk assessment procedures are underway. At this stage we consider it likely that we will identify a significant risk related to the recent HM Inspectorate of Constabulary and Fire & Rescue Services inspection of the Authority, which identified several areas for improvement. We will perform additional procedures to ensure the Authority has had sufficient governance arrangements to make informed decisions following the inspection, and has adequate procedures to improve and monitor effectiveness as the Authority implements changes following the inspection. Our additional procedures are to assess if there are any significant weaknesses.

Financial sustainability

How the body manages its resources to ensure it can continue to deliver its services.

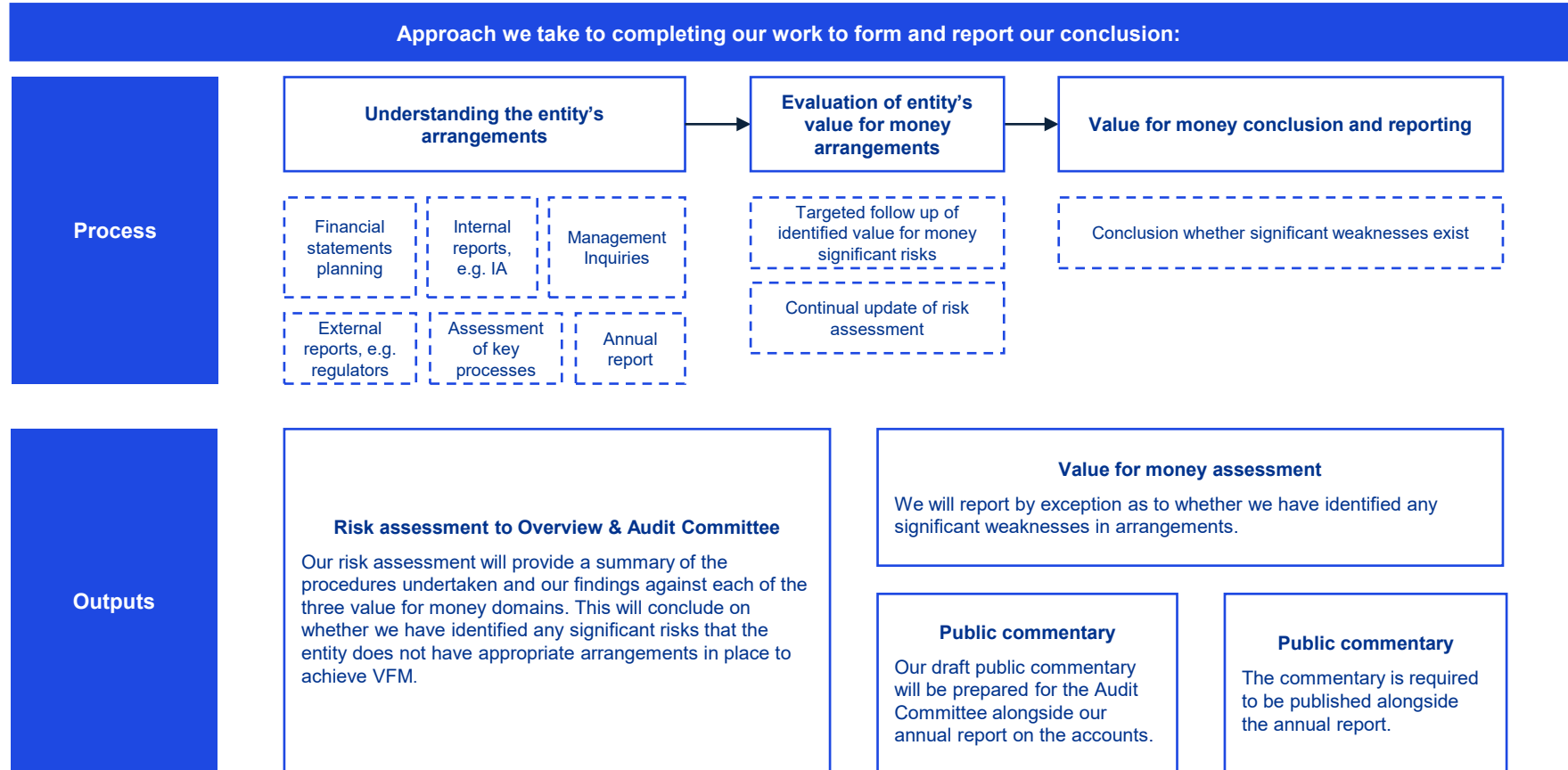
Governance

How the body ensures that it makes informed decisions and property manages its risks.

Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.

Value for money



Appendix

Audit team and rotation

Your audit team has been drawn from our specialist local government audit department and is led by key members of staff who will be supported by auditors and specialists as necessary to complete our work. We also ensure that we consider rotation of your audit partner and firm.



Katie is the director responsible for our audit. She will lead our audit work, attend the Overview & Audit Committee and be responsible for the opinions that we issue.



Philip is the senior manager responsible for our audit. He will co-ordinate our audit work, attend the Overview & Audit Committee and ensure we are co-ordinated across our accounts and value for money work.



Bilal is the in-charge responsible for our audit. He will be responsible for our on-site fieldwork. He will complete work on more complex section of the audit.

To comply with professional standard we need to ensure that you appropriately rotate your external audit director. There are no other members of your team which we will need to consider this requirement for:



This will be Katie's first year as your engagement lead. They are required to rotate every five years, extendable to seven with PSAA approval.

Audit cycle & timetable

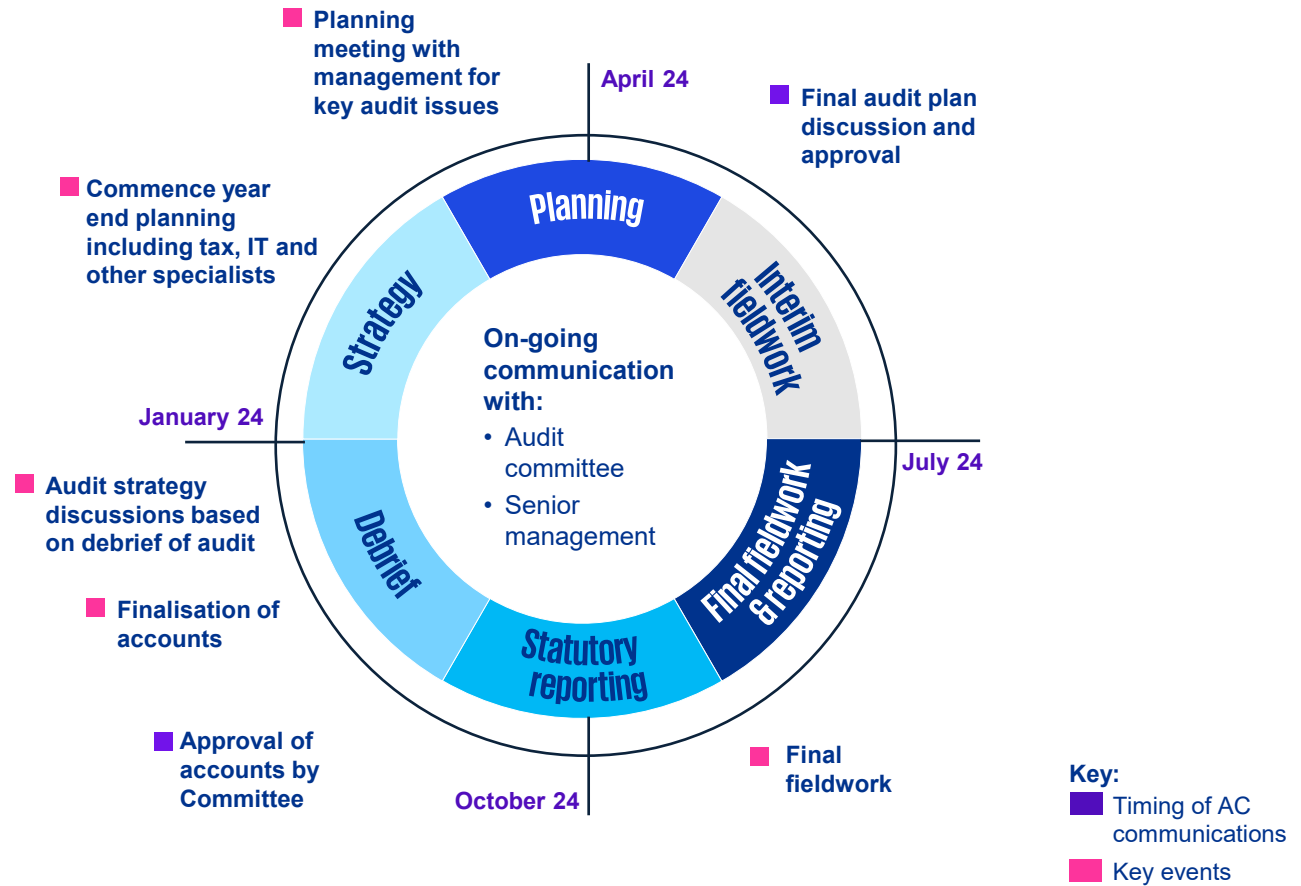
Our schedule: 2023 – 2024

We have worked with management to generate our understanding of the processes and controls in place at the Authority in its preparation of the Statement of Accounts.

Management have requested that the audit is completed during July 2024. Our ability to achieve this is dependent on the outcome of work performed by predecessor auditors, as we are unable to commence substantive testing until we know the outcome of prior year work, in the event that those outcomes change the nature and extent of our procedures.

We are therefore unable to formally commit to a time until there is greater clarity on the completion of the 2022/23 audit and therefore this timetable is **indicative and subject to change**.

This being the first year of KPMG as auditor we have undertaken greater activities to understand the Authority at the planning stage. This level of input may not be required in future years and may change our audit timings for future periods.



Fees

Audit fee

Our fees for the year ending 31 March 2024 are set out in the PSAA Scale Fees communication and are shown below.

| | 2023/24 |
|--------------------------------|-----------|
| | £'000 |
| Published scale fee | 96 |
| Impact of ISA (UK) 315 Revised | TBC* |
| Impact of ISA (UK) 240 | TBC* |
| Total Fees | 96 |

* As per PSAA's Scale Fees Consultation, the fees do not include new requirements of ISA (UK) 315 revised (risk of material misstatement); or ISA (UK) 240 (auditor's responsibilities relating to fraud).

The fees also assume no significant risks are identified as part of the Value for Money risk assessment.

Additional fees in relation to these areas will be subject to the fee variation process as outlined by the PSAA.

Billing arrangements

Fees will be billed in accordance with the milestone completion phasing that has been communicated by the PSAA.

Basis of fee information

Our fees are subject to the following assumptions:

- The Authority's audit evidence files are completed to an appropriate standard (we will liaise with you separately on this);
- Draft statutory accounts are presented to us for audit subject to audit and tax adjustments;
- Supporting schedules to figures in the accounts are supplied;
- The Authority's audit evidence files are completed to an appropriate standard (we will liaise with management separately on this);
- A trial balance together with reconciled control accounts are presented to us;
- All deadlines agreed with us are met;
- We find no weaknesses in controls that cause us to significantly extend procedures beyond those planned;
- Management will be available to us as necessary throughout the audit process; and
- There will be no changes in deadlines or reporting requirements.

We will provide a list of schedules to be prepared by management stating the due dates together with pro-formas as necessary.

Our ability to deliver the services outlined to the agreed timetable and fee will depend on these schedules being available on the due dates in the agreed form and content.

Any variations to the above plan will be subject to the PSAA fee variation process.

Confirmation of Independence

We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the Director and audit staff is not impaired.

To the Oversight & Audit members

Assessment of our objectivity and independence as auditor of Buckinghamshire & Milton Keynes Fire Authority

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard.

As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values
- Communications
- Internal accountability
- Risk management
- Independent reviews.

We are satisfied that our general procedures support our independence and objectivity.

Confirmation of Independence (cont.)

Independence and objectivity considerations relating to the provision of non-audit services

Summary of non-audit services

There are no non-audit services provided.

Summary of fees

We have considered the fees charged by us to the Authority and its affiliates for professional services provided by us during the reporting period.

| | 2023/24 (to date) |
|--------------------------|-------------------|
| | £'000 |
| Statutory audit | 95 |
| Other Assurance Services | 0 |
| Total Fees | 95 |

Application of the Auditor Guidance Note 1 (AGN01)

The anticipated ratio of non-audit fees to audit fees for the year at the time of planning is 0:1, or 0% which is compliant with Auditor Guidance Note 1 (AGN01).

AGN 01 states that when the auditor provides non-audit services, the total fees for such services to the audited entity and its controlled entities in any one year should not exceed 70% of the total fee for all audit work carried out in respect of the audited entity and its controlled entities for that year.

Application of the FRC Ethical Standard 2019

The FRC Ethical Standard 2019 became effective for the first period commencing on or after 15 March 2020, except for the restrictions on non-audit and additional services that became effective immediately at that date, subject to grandfathering provisions.

We confirm that as at 15 March 2020 we were not providing any non-audit or additional services that required to be grandfathered.

Independence and objectivity considerations relating to other matters

There are no other matters that, in our professional judgment, bear on our independence which need to be disclosed to the Oversight & Audit Committee.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the partner and audit staff is not impaired.

This report is intended solely for the information of the Oversight & Audit Committee of the Authority and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully

KPMG LLP

KPMG's Audit quality framework

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion.

To ensure that every partner and employee concentrates on the fundamental skills and behaviours required to deliver an appropriate and independent opinion, we have developed our global Audit Quality Framework.

Responsibility for quality starts at the top through our governance structures as the UK Board is supported by the Audit Oversight Committee, and accountability is reinforced through the complete chain of command in all our teams.

■ Commitment to continuous improvement

- Comprehensive effective monitoring processes
- Significant investment in technology to achieve consistency and enhance audits
- Obtain feedback from key stakeholders
- Evaluate and appropriately respond to feedback and findings

■ Performance of effective & efficient audits

- Professional judgement and scepticism
- Direction, supervision and review
- Ongoing mentoring and on the job coaching, including the second line of defence model
- Critical assessment of audit evidence
- Appropriately supported and documented conclusions
- Insightful, open and honest two way communications

■ Commitment to technical excellence & quality service delivery

- Technical training and support
- Accreditation and licensing
- Access to specialist networks
- Consultation processes
- Business understanding and industry knowledge
- Capacity to deliver valued insights



■ Association with the right entities

- Select entities within risk tolerance
- Manage audit responses to risk
- Robust client and engagement acceptance and continuance processes
- Client portfolio management

■ Clear standards & robust audit tools

- KPMG Audit and Risk Management Manuals
- Audit technology tools, templates and guidance
- KPMG Clara incorporating monitoring capabilities at engagement level
- Independence policies

■ Recruitment, development & assignment of appropriately qualified personnel

- Recruitment, promotion, retention
- Development of core competencies, skills and personal qualities
- Recognition and reward for quality work
- Capacity and resource management
- Assignment of team members and specialists

ISA (UK) 315 Revised: Overview

Summary

In the prior period, ISA (UK) 315 Revised “Identifying and assessing the risks of material misstatement” was introduced and incorporated significant changes from the previous version of the ISA.

These were introduced to achieve a more rigorous risk identification and assessment process and thereby promote more specificity in the response to the identified risks. The revised ISA was effective for periods commencing on or after **15 December 2021**.

The revised standard expanded on concepts in the existing standards but also introduced new risk assessment process requirements – the changes had a significant impact on our audit methodology and therefore audit approach.

What impact did the revision have on audited entities?

With the changes in the environment, including financial reporting frameworks becoming more complex, technology being used to a greater extent and entities (and their governance structures) becoming more complicated, standard setters recognised that audits need to have a more robust and comprehensive risk identification and assessment mechanism.

The changes result in additional audit awareness and therefore clear and impactful communication to those charged with governance in relation to (i) promoting consistency in effective risk identification and assessment, (ii) modernising the standard by increasing the focus on IT, (iii) enhancing the standard’s scalability through a principle based approach, and (iv) focusing auditor attention on exercising professional scepticism throughout risk assessment procedures.

Implementing year 1 findings into the subsequent audit plan

Entering the second year of the standard, the auditors will have demonstrated, and communicated their enhanced insight into their understanding of your wider control environment, notably within the area of IT.

In year 2 the audit team will apply their enhanced learning and insight into providing a targeted audit approach reflective of the specific scenarios of each entity’s audit.

A key area of focus for the auditor will be understanding how the entity responded to the observations communicated to those charged with governance in the prior period.

Where an entity has responded to those observations a re-evaluation of the control environment will establish if the responses by entity management have been proportionate and successful in their implementation.

Where no response to the observations has been applied by entity, or the auditor deems the remediation has not been effective, the audit team will understand the context and respond with proportionate application of professional scepticism in planning and performance of the subsequent audit procedures.

What will this mean for our on-going audits?

To meet the on-going requirements of the standard, auditors will each year continue to focus on risk assessment process, including the detailed consideration of the IT environment.

Subsequent year auditor observations on whether entity actions to address any control observations are proportionate and have been successfully implemented will represent an on-going audit deliverable.

Each year the impact of the on-going standard on your audit will be dependent on a combination of prior period observations, changes in the entity control environment and developments during the period. This on-going focus is likely to result in the continuation of enhanced risk assessment procedures and appropriate involvement of technical specialists (particularly IT Audit professionals) in our audits which will, in turn, influence auditor remuneration.

ISA (UK) 240 Revised: changes embedded in our practices

Ongoing impact of the revisions to ISA (UK) 240

ISA (UK) 240 (revised May 2021, effective for periods commencing on or after 15 December 2021) The auditor's responsibilities relating to fraud in an audit of financial statements included revisions introduced to clarify the auditor's obligations with respect to fraud and enhance the quality of audit work performed in this area. These changes are embedded into our practices and we will continue to maintain an increased focus on applying professional scepticism in our audit approach and to plan and perform the audit in a manner that is not biased towards obtaining evidence that may be corroborative, or towards excluding evidence that may be contradictory.

We will communicate, unless prohibited by law or regulation, with those charged with governance any matters related to fraud that are, in our judgment, relevant to their responsibilities. In doing so, we will consider the matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud.

| Area | Our approach following the revisions |
|--|--|
| Risk assessment procedures and related activities | <ol style="list-style-type: none"> 1) Increased focus on applying professional scepticism – the key areas affected are: <ul style="list-style-type: none"> • the need for auditors not to bias their approach towards obtaining evidence that is corroborative in nature or excluding contradictory evidence; • remaining alert for indications of inauthenticity in documents and records, and • investigating inconsistent or implausible responses to inquiries performed. 2) Requirements to perform inquiries with individuals at the entity are expanded to include, amongst others, those who deal with allegations of fraud. 3) We will determine whether to involve technical specialists (including forensics) to aid in identifying and responding to risks of material misstatement due to fraud. |
| Internal discussions and challenge | <p>We will have internal discussions among the audit team to identify and assess the risk of fraud in the audit, including determining the need for additional meetings to consider the findings from earlier stages of the audit and their impact on our assessment of the risk of fraud.</p> |

FRC's areas of focus

The FRC released their [Annual Review of Corporate Reporting 2022/23](#) in October 2023. In addition, they have released three thematic reviews during the year should be considered when preparing reporting for the current financial period.

The reports identify where the FRC believes companies should be improving their reporting. Below is a high level summary of the key topics. We encourage management and those charged with governance to read further on those areas which are significant to the Authority.



Reporting on the effects of inflation and other uncertainties

This year's Annual Review of Corporate Reporting identifies that companies continue to face significant economic and geopolitical uncertainty and annual report and accounts should therefore tell a coherent story about the impacts on the business and the assumptions the company has made in preparing the financial statements.

The FRC notes that interest rate rises in response to persistent inflation, the related impact on consumer behaviour, and limited growth present a particularly challenging environment for companies. Financial reporting needs to set out the impact of these issues on their business, and the assumptions which underpin the values of assets and liabilities in financial statements. Significant changes in discount rates and future cash flows are expected as a result and they should be highlighted.

The impacts of uncertainty on companies' narrative reporting and financial statements are numerous, but the FRC sets out its clear disclosure expectations for 2023/2024:

- Disclosures about uncertainty should be sufficient to meet relevant requirements *and* for users to understand the positions taken in the financial statements.
- The strategic report should give a clear description of the risks facing the business, the impact of these risks on strategy, business model, going concern and viability, and disclosures should be cross-referenced to relevant detail in the report and accounts.
- Transparent disclosure should be provided of the nature and extent of material risks arising from financial instruments.

Preparers should take a step back to consider whether the annual report, as a whole, is clear, concise and understandable and whether additional information, beyond the requirements of the standards, is necessary to understand particular transactions, events or circumstances.



Climate-related reporting

Climate-related reporting continues to progress with the new Companies Act requirements, effective for periods commencing 6 April 2022, requiring more entities to include climate-related financial disclosures within the annual report. These are largely aligned with the Taskforce on Climate-Related Disclosures (TCFD) recommendations, but do not include the 'comply or explain' provision for items that would have a material impact on the entity.

Climate-related risks remains an area of ongoing focus for the FRC as they embed the review of these disclosures into their routine annual reviews. The FRC has highlighted that it expects companies to provide improved disclosure explaining the linkage between narrative reporting on uncertainties such as climate change, and the assumptions made in the financial statements.

In respect of TCFD disclosures, the FRC notes that sustainability reporting requirements continue to evolve and companies are still at very different stages in their reporting in this area. The FRC expect in scope entities to provide a clear statement of consistency with TCFD which explains, unambiguously, whether management considers they have given sufficient information to comply with the framework in the current year. Companies must, in any case, comply with the new mandatory requirements for disclosure of certain TCFD-aligned information.

In relation to the specific thematic on metrics and targets they highlighted five areas of improvement:

- the definition and reporting of company-specific metrics and targets, beyond headline 'net zero' statements;
- better linkage between companies' climate-related metrics and targets and the risks and opportunities to which they relate;
- the explanation of year-on-year movements in metrics and performance against targets;
- transparency about internal carbon prices, where used by companies to incentivise emission reduction; and
- better linkage between climate-related targets reported in TCFD disclosures and ESG targets disclosed in the Directors' Remuneration Report.

FRC's areas of focus (cont.)

Impairment of assets

Heightened economic uncertainty, high inflation and higher interest rates have resulted in more instances of impairment or reductions in headroom, prompting the need for more detailed disclosures under IAS 36. The FRC notes that many of the queries it has raised with companies in the past year would have been avoided by clearer, more complete disclosures.

Disclosures should provide key inputs and assumptions applied, along with relevant values and sensitivity information where impairments could arise from reasonably possible changes in assumptions.

Assumptions should be consistent with information provided elsewhere in the annual report and with the wider economic environment; where there are inconsistencies, these should be explained.

Discount rates should be consistent with the assumptions in the cash flow projections, particularly in respect of risk and the effects of inflation.

Judgements and estimates

Most of the FRC's queries related to estimation uncertainty, and often involved disclosures which either did not contain sufficient information to be useful, or which appeared inconsistent with disclosures given elsewhere.

Disclosures should explain the significant judgement and provide quantified sensitivities where there is a significant source of estimation uncertainty. This includes judgements relating to the going concern assessment and accounting for inflationary features, including the use of discount rates. Sensitivity disclosures should be meaningful for readers, remain appropriate in current circumstances, explaining significant changes in assumptions and the range of possible outcomes since the previous year.

The FRC highlights the need for disclosures to clearly distinguish between estimates with a significant risk of a material adjustment to carrying amounts within the next year, and other sources of estimation uncertainty.

Cash flow statements

Cash flow statements have again been an area where the FRC have raised many queries and it remains one of the most common causes of prior year adjustments. Most queries raised by the FRC relate to unusual or complex transactions which have not been appropriately reflected in the cash flow statement.

Companies should ensure that descriptions of cash flows are consistent with those reported elsewhere in the report and accounts, with non-cash investing and financing transactions being excluded, but disclosed elsewhere if material.

In addition, companies should ensure that cash flows are appropriately classified between operating, financing and investing, and cash flows should not be inappropriately netted. Cash and cash equivalents should comply with the relevant definitions and criteria in the standard.

Strategic report and other Companies Act 2006 matters

Strategic reports should focus not only on financial performance but should also explain significant movements in the balance sheet and cash flow statement. They should articulate the effect of principal risks and uncertainties facing the business, including economic and other risks such as inflation, rising interest rates, supply chain issues, climate-related risks and labour relations.

In addition, the FRC reminds companies that they should comply with the legal requirements for making distributions and repurchasing shares including, where relevant, the requirement to file interim accounts to support the transaction.

Financial instruments

Companies should ensure that the nature and extent of material risks arising from financial instruments (including inflation and rising interest rates), and related risk management, are adequately disclosed.

This includes disclosures being sufficient to explain the approach and significant assumptions applied in the measurement of expected credit losses, including concentrations of risk, and assessments should be reviewed and adjusted for forecast future economic conditions.

The effect of refinancing and changes to covenant arrangements should be explained, with information about covenants being provided unless the likelihood of a breach is remote.

Lastly, the FRC reminds companies that cash and overdraft balances should be offset only when the qualifying criteria have been met.

FRC's areas of focus (cont.)

Income taxes

Following their thematic review last year, the FRC reminds companies that the nature of evidence supporting the recognition of deferred tax assets should be disclosed, and should factor in any difficult economic environment.

Additionally, companies should ensure tax-related disclosures are consistent throughout the annual report, uncertain tax positions are adequately disclosed, and material reconciling items in the tax rate reconciliation are presented separately and appropriately described.

Provisions and contingencies

Clear descriptions of the nature and uncertainties for material provisions or contingent liabilities, the expected timeframe and the basis for estimating the probable or possible outflow should be provided.

Inputs used in measuring provisions should be consistent in the approach to incorporating inflation, and details of related assumptions should be provided.

Revenue

Where variable consideration exists, companies should provide sufficient disclosure to explain how it is estimate and constrained.

Accounting policies and relevant judgement disclosures should be provided for all significant performance obligations. Those disclosures should address in sufficient detail the timing of revenue recognition, the basis for recognising revenue over time and the methodology applied.

Lastly, the FRC reminds companies that inflationary features in contracts with customers, and the accounting for such clauses, should be adequately disclosed and clearly explained.

Presentation of financial statements and related disclosures

The FRC expects companies to disclose company-specific information to meet the overall disclosure objectives of relevant accounting standards, and not just the narrow specific disclosure requirements of individual standards. They set out a clear expectation that additional information (beyond the minimum requirements of the standards) should be included where needed.

Fair value measurement

Fair value measurement has returned this year as one of the FRC's top ten issues raised in their correspondence with companies, and this has been the topic of a [thematic review](#). Common queries raised include the omission of sensitivity disclosures and the quantification of unobservable inputs into fair value measurements.

The FRC reminds companies that they should use market participants' assumptions, rather than their own, in measuring fair value.

Thematic reviews

During the year FRC has issued Thematic reviews on the following topics:

- Climate-related metrics and targets
- IFRS 13 Fair value measurement
- IFRS 17 Insurance contracts – Interim disclosures in the first year of application

2023/24 review priorities

The FRC has indicated that its 2023/24 reviews will focus on the following sectors which are considered by the FRC to be higher risk by virtue of economic or other pressures:

-  Travel, hospitality and leisure
-  Retail and personal goods
-  Construction materials
-  Gas, water and multi-utilities



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Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 17 July 2024

Report title: 2023/24 Annual Audit Report

Lead Member: Councillor David Carroll

Report sponsor: Mark Hemming – Director of Finance and Assets

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

Action: Noting.

Recommendations: That Members note the progress on the Annual Internal Audit Plan.

Executive summary:

The Account and Audit Regulations require the Fire Authority to maintain an adequate and effective Internal Audit Service in accordance with proper internal audit practices. The CIPFA Public Sector Internal Audit Standards (PSIAS), which sets out proper practice for Internal Audit, requires the Chief Internal Auditor (CIA) to provide a written report to those charged with governance, to support the Annual Governance Statement (AGS), which should include an opinion on the overall adequacy and effectiveness of the Fire Authority's control environment.

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

This opinion is reflected in the Annual Governance Statement.

Financial implications: The audit work is contained within the 2023/24 budget.

Risk management: There are no risk implications arising from this report.

Legal implications: There are no legal implications arising from this report.

Privacy and security implications: There are no privacy and security implications arising from this report.

Duty to collaborate: Not applicable.

Health and safety implications: There are no health and safety implications arising from this report.

Environmental implications: There are no environmental implications arising from this report.

Equality, diversity, and inclusion implications: There are no equality and diversity implications arising from this report.

Consultation and communication: Not applicable.

Background papers:

| Appendix | Title | Protective Marking |
|----------|---------------------|--------------------|
| 1 | Annual Audit Report | Not applicable |

Buckinghamshire & Milton Keynes Fire Authority



**Internal Audit Service
Annual Report of the Chief Internal Auditor 2023/24**

July 2024

1. Introduction

1.1 This report outlines the Internal Audit work undertaken by the Internal Audit Service for the year ending 31 March 2024 and seeks to provide an opinion on the adequacy and effectiveness of the control environment detailing the incidences of any significant control failings or weaknesses.

1.2 The Account and Audit Regulations require the Fire Authority to maintain an adequate and effective Internal Audit Service in accordance with proper internal audit practices. The CIPFA Public Sector Internal Audit Standards (PSIAS), which sets out proper practice for Internal Audit, requires the Chief Internal Auditor (CIA) to provide a written annual report to those charged with governance to support the authority's Annual Governance Statement (AGS). This report should include the following:

- An opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and internal control environment;
- Disclose any qualifications to that opinion, together with the reasons for the qualification;
- Present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies;
- Draw attention to any issues the Chief Internal Auditor judges particularly relevant to the preparation of the Annual Governance Statement;
- Provide the opportunity to review the work actually undertaken during the year, and summarise the performance of the Internal Audit function against its performance measures, criteria and standards; and
- Comment on compliance with these standards and communicate the results of the Internal Audit quality assurance programme.

1.3 The provision of this opinion is achieved through a risk-based plan of work, agreed with management, and approved by the Overview and Audit Committee, which should provide a reasonable level of assurance, subject to the inherent limitations described in this report.

2. Responsibilities

2.1 The Public Sector Internal Audit Standards (PSIAS) define internal auditing as "an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined

approach to evaluate and improve the effectiveness of risk management, control and governance processes.”

2.2 Internal Audit is not responsible for the control system. This responsibility sits with management who are accountable for maintaining a sound system of internal control and is responsible for ensuring that adequate arrangements are in place for gaining assurance about the effectiveness of the overall system of control. Management should ensure that the Authority operates in accordance with the law and proper standards, that public funds are safeguarded, properly accounted for, and used economically, efficiently, and effectively.

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

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

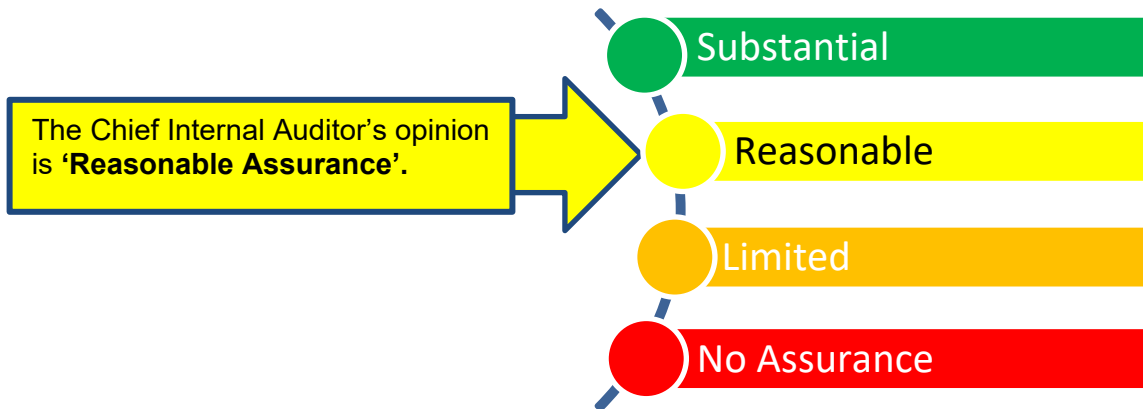
3. Chief Internal Auditor Opinion

3.1 It should be noted that no system of internal control can provide absolute assurance against material misstatement or loss, nor can internal audit give absolute assurance.

3.2 The results of the audit work undertaken, when combined with our experience and knowledge of previous years’ performance and the current climate in which the Authority is operating, form the basis for the overall opinion. As such, the Chief Internal Auditor can provide **Reasonable Assurance** that Buckinghamshire & Milton Keynes Fire Authority has in place an adequate and effective framework of governance, risk management and internal control for the period 1 April 2023 to 31 March 2024.

3.3 The work undertaken during 2023/24 has identified some areas that require further improvement to ensure that the internal control framework remains adequate and effective. Findings raised from the 2023/24 internal audit reviews have not identified any material weaknesses. Overall, the Fire Authority has continued to demonstrate a robust and effective internal control and risk management environment.

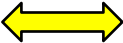
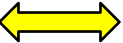
3.4 Internal Audit did not undertake a specific review of Corporate Governance during 2023/24. However, the MTPF Assurance and the Corporate Improvement Plans reviews considered the governance structure and reflected on the management oversight and decision-making processes. Whilst both assurance reviews did not provide an opinion on the effectiveness of the governance arrangements; recommendations were raised to help enhance management’s oversight and enable more effective and timely decision making.



* See Appendix 3 for definitions of the assurance opinions.

3.5 The table below outlines the audit assurance opinions for the work delivered in 2023/24 for which the overall opinion is derived:

| Audit | Assurance Opinion | | | | Direction of Travel |
|---|--|---------|------------|-------------|---------------------|
| | No Assurance | Limited | Reasonable | Substantial | |
| Core Financial controls | | | | ✓ | ↔ |
| MTPF Assurance Review | No opinion given for this assurance exercises, aimed to look at the entire process for establishing budgets and costs to identify key challenges and to highlight areas of improvement. | | | | |
| Corporate Improvement Plans Assurance Review | No opinion was given as this the objective of the review was to provide an independent view of how the Service’s plans fit together, created to support ongoing improvement across the Service, and identifying opportunities for improvement and, where appropriate, rationalisation. | | | | |

| | | | | | |
|--|---|---|------------|------------|---|
| Contract and Critical Supplier Management | | | ✓ | |  |
| Partnerships Working | | | ✓ | |  |
| Number of Findings | - | - | 9 | 4 | |
| Percentage | - | - | 69% | 31% | |

4. Basis of Audit Opinion

4.1 The Internal Audit Plan was developed in consultation with the Director of Finance and Assets to focus specifically on financial management, corporate processes and key risk areas. There were no constraints placed on the scope of audit work in the year and there were sufficient resources to provide an adequate and effective audit coverage.

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

4.3 In reaching the overall opinion, the follow was taken into account:

- The results of all audits undertaken as part of the 2023/24 Internal Audit Plan. **Appendix 1** provides a detailed summary of the findings raised for each internal audit review undertaken.
- The results of follow-up action taken in respect of audits from previous years. **Appendix 2** provides a detailed summary of the implementation progress. It is management's responsibility for monitoring the implementation of the agreed actions following each audit review.
- Whether or not any 'high' priority recommendations have not been accepted by management and the consequent risks. It should be noted that all findings raised from the audit work undertaken were accepted by management and implementation of agreed actions is being progressed.
- The effects of any material changes in the Authority's objectives or activities.

- Whether or not any limitations have been placed on the scope of internal audit.
- Findings of work performed by other assurance providers (e.g. the External Auditors who we have liaised with throughout the year in order to share information and reduce any duplication of audit activity).
- The scope of the internal control environment - which comprises the whole framework of systems and controls established to manage BMKFRS to ensure that its objectives are met.
- Consideration of third-party assurances.

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

5. Anti-Fraud

5.1 There have been no suspected frauds or financial irregularity brought to the attention of the Chief Internal Auditor during 2023/24. Throughout the year we continued to work closely with the Director of Finance and Assets on fraud awareness and our work on the core financial systems included a review of the key anti-fraud controls.

6. The Internal Audit Team

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

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

6.3 New Global Internal Audit Standards are being introduced in 2025, however during 2023/24 the Buckinghamshire Council Internal Audit Service has continued to work in compliance with the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

7. Our Performance

7.1 The Public Sector Internal Audit Standards require all public sector internal audit services to measure how well they are conforming to the standards. This can be achieved through undertaking periodic self-assessments, external quality assessments, or a combination of both methods. However, the standards state that an external reviewer must undertake a full assessment or validate the internal audit service's own self-assessment at least once in a five-year period.

7.2 The Buckinghamshire Council Internal Audit Service was subject to its first external quality assessment of conformance to the PSIAS in quarter four of 2021/22. The assessment was conducted by CIPFA and the review concluded that:

*'It is our opinion that Buckinghamshire Internal Audit Service's self-assessment is accurate and as such we conclude that they **FULLY CONFORM** to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note.'*

7.3 During 2023/24 we undertook a self-assessment against the standard and confirmed full conformance across all areas. In the coming year the service will be undertaking another self-assessment against the new Global Internal Audit Standards.

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

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

7.4 The 2023/24 Internal Audit Strategy set out six performance indicators that the Internal Audit Service was measured against. Below is a summary of our performance against the set indicators:

| Performance Measure | Target | Method | 2020/21 Results |
|---|---|--|---|
| Elapsed time between start of the audit (opening meeting) and Exit Meeting. | Target date agreed for each assignment by the Audit manager, stated on Terms of Reference, but should be no more than 3 X the total audit assignment days (excepting annual leave etc.) | Internal Audit Performance Monitoring System | 90% |
| Elapsed Time for completion of audit work (exit meeting) to issue of draft report. | 15 Days | Internal Audit Performance Monitoring System | 90% |
| Elapsed Time between issue of Draft report and issue of Final Report | 15 Days | Internal Audit Performance Monitoring System | *100% |
| % of Internal Audit Planned Activity delivered by 30 April 2024 | 100% of Plan by End of April 2024 | Internal Audit Performance Monitoring System | 100% |
| % of High and Medium priority recommendations followed up after implementation date | All High and Medium recommendations followed up within three months of the date of expected implementation | Internal Audit Performance Monitoring System | 100% |
| Customer satisfaction questionnaire (Audit Assignments) | Overall customer satisfaction 95% | Questionnaire | **Nil – questionnaires not utilised for this year |

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

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

Maggie Gibb

Chief Internal Auditor

July 2024

Appendix 1: Summary of 2023/24 Audits Performed Informing the Annual Opinion

| AUDIT TITLE | ASSURANCE OPINION | NUMBER OF ACTIONS |
|---|--------------------|---|
| Contract and Critical Supplier Management | Reasonable | 6 |
| Core Financial Controls | Substantial | 4 |
| Partnership Working | Reasonable | 3 |
| MTFP Assurance Review | N/A | Recommendations raised for further improvement |
| Corporate Improvement Plans Assurance Review | N/A | Recommendations raised for further improvement |

**Note: Assurance reviews have not been included within this summary report due to the level of detail contained in the output, however this have already been presented to the committee.*

Contract and Critical Supplier Management

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

Critical Supplier Management focuses on the Authority's relationship with its key suppliers, whose disruption or failure could negatively impact the Authority's operations. A **Reasonable** level of assurance has been given as a result of the findings raised in this report.

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

Contract and Critical Supplier Management: Detailed Audit Findings and Management Action Plan

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

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

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| <p>inspect the progress of orders. We reviewed an invoice to confirm that they had booked a trip to Scotland to visit the contractor in person as the contractor is based in Scotland. The trip was scheduled for December 2023.</p> <ul style="list-style-type: none"> • MDT Software Contract: The contract manager advised that they meet with the contractor fortnightly due to the imperative nature of the contract. This is a multi-authority contract, so they meet with the contractor alongside representatives from Oxfordshire and Royal Berkshire Fire Rescue Services. However, we were advised that meetings are not minuted so no evidence could be provided to confirm meetings were going ahead as scheduled. The signed contract does not define how frequently contract monitoring meetings should be taking place. <p>Where contract managers are not meeting with the contractor periodically, there is a risk that poor performance or issues with the services provided are not identified and addressed in a timely manner. If meetings are not minuted, there is a risk that key decisions or actions cannot be referred back to due to a lack of an audit trail.</p> <p>The Authority should ensure that contract managers are reminded of the importance of periodic contract management meetings with the contractors they manage. Contract management meetings should be minuted and retained for future reference.</p> <p>Meetings should be held at the frequency defined in each individual contract; where this is not applicable, a standard frequency should be established for guidance and included within the Contract Management Framework. Frequency of meetings should be determined by contract priority.</p> | | June 2024 |
| <p>Finding 4: Contract KPIs and Performance Reporting</p> | <p>Risk Rating</p> | <p>Agreed Management Actions</p> |
| <p>Through discussions with the Procurement Manager, we were informed that there is no general trend analysis for the Authority's contractual KPIs and performance is not reported upwards to senior management and there is no formal requirement for reporting.</p> <p>The Procurement Manager advised that the Authority has a Performance Management Board that meets monthly, and where there are significant contract issues that cannot be addressed through day-to-day operations, these will be escalated to the board for direction and action. We selected a sample of three platinum level contracts from the Authority's Contracts Register, out of a population of 83 to test whether</p> | <p>M</p> | <p>Action:</p> <p>This will be addressed by the introduction of:</p> <p>The “Procurement to Contract Manager Handover” guidance document (refer to Finding 2).</p> <p>This will be monitored and reported on by the introduction of the “Contract Management Central Log” (refer to Finding 1).</p> |

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

| | | |
|--|---------------------------|--|
| <p>Where action logs are not maintained and updated between contract management meetings, there is a risk that agreed actions are not followed up on and completed.</p> <p>The authority should ensure that key decisions and actions for completion that are raised during contract management meetings are tracked in action logs and marked as complete or updated with new deadlines.</p> | | |
| <p>Finding 6: Contracts Register</p> | <p>Risk Rating</p> | <p>Agreed Management Actions</p> |
| <p>The Authority maintains a contracts register internally which lists each contract, the contract manager, start and end dates, contract supplier, and the contract management category (Platinum, Gold, Silver, and Bronze).</p> <p>The Procurement Manager advised that the Contracts Register was reviewed on a quarterly basis, however, this could not be formally evidenced as taking place. We were also advised that the review may not involve changing the name of the contract manager as contract management is awarded based on someone's role, rather than the individual. It was noted through review of the Register that the role of the contract manager is not actually listed, so if staff had query regarding a contract, the contract manager may not be easily identifiable if the previous manager has left the authority or changed roles.</p> <p>Where a contracts register is not periodically updated and reviewed for accuracy, there is a risk that staff are unable to reach the contract manager and queries or issues remain unresolved.</p> <p>The Authority should ensure that the contracts register is subject to periodic review and signed off as evidence of completion. The review should include a check to confirm that all contracts are current and have not expired, and that the contract manager information is up to date and correct.</p> | <p>L</p> | <p>Action:</p> <p>The Contract Register is a 'Live' document, reviewed and updated as part of the business-as-usual activities of the procurement team.</p> <p>An internal Contract Register with the Contract Managers' job titles will be refreshed monthly and published to the staff Intranet.</p> <p>Officer responsible: Procurement Manager</p> <p>Date to be implemented by: April 2024</p> |

Core Financial Controls

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

A **Substantial** level of assurance has been given due to two medium and two low priority findings. Overall, the controls tested were found to be operating effectively.

| RISK AREAS | AREA CONCLUSION | No. of High Priority Management Actions | No. of Medium Priority Management Actions | No. of Low Priority Management Actions |
|-----------------------------|-----------------|---|---|--|
| Financial Control Framework | Substantial | 0 | 0 | 0 |
| Creditors | Reasonable | 0 | 0 | 1 |
| Debtors | Reasonable | 0 | 1 | 0 |
| Payroll | Reasonable | 0 | 1 | 0 |
| General Ledger | Reasonable | 0 | 0 | 1 |
| Grant Income | Substantial | 0 | 0 | 0 |
| Capital | Substantial | 0 | 0 | 0 |
| Banking and Reconciliations | Substantial | 0 | 0 | 0 |
| VAT | Substantial | 0 | 0 | 0 |
| Treasury Management | Substantial | 0 | 0 | 0 |
| | | 0 | 2 | 2 |

Core Financial Controls: Detailed Audit Findings and Management Action Plan

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

| | | |
|---|---------------------------|---|
| <p>If incorrect claims are approved and paid there is a risk of misallocation of funds and the inability to recover the money from the employee resulting in financial loss to the authority.</p> | | <p>Date to be implemented by: 31 March 2024</p> |
| <p>Finding 3: Creditors – Purchase Card Transactions</p> | <p>Risk Rating</p> | <p>Agreed Management Actions</p> |
| <p>Purchase card transactions should be made in accordance with the Authority’s policies and procedures.</p> <p>We reviewed a sample of 20 purchase card transactions between November 2022 and September 2023. Of this sample we found:</p> <ul style="list-style-type: none"> • One case where the evening meal charge limit was exceeded. The limit of £15.51 per person is set out in the Authority’s policy however this approved payment was for £16.90. • One instance of a first class rail travel being booked through trainline (which has additional booking fees) and no evidence was retained to evidence cost savings as required by the expense policy if a provider other than National Rail is used. <p>If the Authority approves expense claims that are beyond the agreed limit, there is a risk of inappropriate use of the purchase card resulting in financial loss to the Authority.</p> | <p>L</p> | <p>Action:</p> <p>Remind all purchasing card holders of their role and responsibilities when using their purchasing card for business activity as per the Purchasing Card User Guide. When approving purchasing card expenditure within the finance system extra scrutiny will be placed on what the card has been used for, why and confirm it’s within the limits set in the Purchasing Card User Guide and other accompanying procedures.</p> <p>Officer responsible: Principal Accountant</p> <p>Date to be implemented by: 31 July 2024</p> |
| <p>Finding 4: General Ledger – Transactions in Suspense</p> | <p>Risk Rating</p> | <p>Agreed Management Actions</p> |
| <p>Suspense accounts should be reviewed and cleared on a regular basis.</p> <p>We reviewed a report of transactions in suspense at the time of the audit. We found three uncleared transactions, with the oldest being from January 2023. The others were March and August 2023. The combined total value of these transactions was £144.76.</p> <p>Through discussion with the Principal Accountant we found that while the suspense accounts had been checked as part of the monthly reconciliation process, the three (low value) transactions identified during the audit were not cleared. It was confirmed that the suspense account will be reviewed cleared and as part of the closing of the account procedure.</p> | <p>L</p> | <p>Action:</p> <p>All transactions on the suspense account are cleared in a timely manner and ensure these are dealt with by yearend.</p> <p>Officer responsible: Principal Accountant</p> <p>Date to be implemented by:</p> |

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



30 April 2024

Partnership Working

Partnerships are a strategic tool for the Authority to achieve its objectives by leveraging the strengths and resources of other organisations. However, these arrangements also introduce new and different risks that need to be recognised, evaluated, and effectively managed.

In May 2014, the Executive approved a Partnership Strategy, which includes a set of nine key principles that need to be determined to justify any relationship with another body as a true partnership.

A **Reasonable** level of assurance has been given because of the two medium and one low priority findings.

| RISK AREAS | AREA CONCLUSION | No. of High Priority Management Actions | No. of Medium Priority Management Actions | No. of Low Priority Management Actions |
|-------------------------------------|-----------------|---|---|--|
| Partnership Working | | | | |
| Governance Arrangements | Substantial | 0 | 0 | 0 |
| Partnership Register and Agreements | Reasonable | 0 | 2 | 0 |
| Duplication | Substantial | 0 | 0 | 0 |
| Implementation | Substantial | 0 | 0 | 0 |
| Transformation | Substantial | 0 | 0 | 0 |
| Financial and Operational Impact | Substantial | 0 | 0 | 0 |
| Performance and Communication | Reasonable | 0 | 0 | 1 |
| Total | | 0 | 2 | 1 |

Partnership Working: Detailed Audit Findings and Management Action Plan

| Finding 1: Partnership Agreements | Risk Rating | Agreed Management Actions |
|--|-------------|--|
| <p>The Authority should have signed and up-to-date partnership agreements for their current partnerships. We requested copies of signed agreements for our selected sample. However, Management advised that the British Red Cross partnership could not be found.</p> <p>We were also not provided with the agreements for the Safer MK, Safer Bucks Board and MK Safety Centre partnerships, with no explanation provided, whilst one other has not yet been finalised. We were advised by the Director of Finance and Assets that there is no central location where all partnership agreements are held; instead, individual staff members would know where each agreement is held.</p> <p>The Authority could provide no evidence for the Red Cross partnership, including the initial proposal and ongoing monitoring. We were advised by the Group Commander (Response South) that there had been a lapse in communications between the Authority and the Red Cross. As listed above, neither partner has a direct financial contribution to this partnership.</p> <p>The absence of signed and up-to-date partnership agreements and a central location for all such agreements poses risks for the Authority. This lack of organisation can lead to accountability issues, potential non-compliance with policies and procedures, and even legal and financial risks. Furthermore, the lack of a central repository for these agreements can lead to operational disruptions due to miscommunication or loss of information, especially if the staff member responsible for a particular agreement is unavailable or leaves the organisation.</p> <p>Additionally, the lapse in communication between the Authority and the Red Cross and the absence of evidence for this partnership suggests risks of operational disruptions and inadequate oversight. These issues could lead to unmet objectives or inefficiencies within the partnership. Moreover, failure to maintain proper documentation and communication with partners could harm the Authority's reputation, affecting its ability to form future partnerships.</p> | M | <p>Action:</p> <p>All partnership agreements will be stored in a central repository.</p> <p>Officer responsible:</p> <p>Director of Finance and Assets</p> <p>Date to be implemented by:</p> <p>29 March 2024</p> |
| Finding 2: Partnership Register | Risk Rating | Agreed Management Actions |

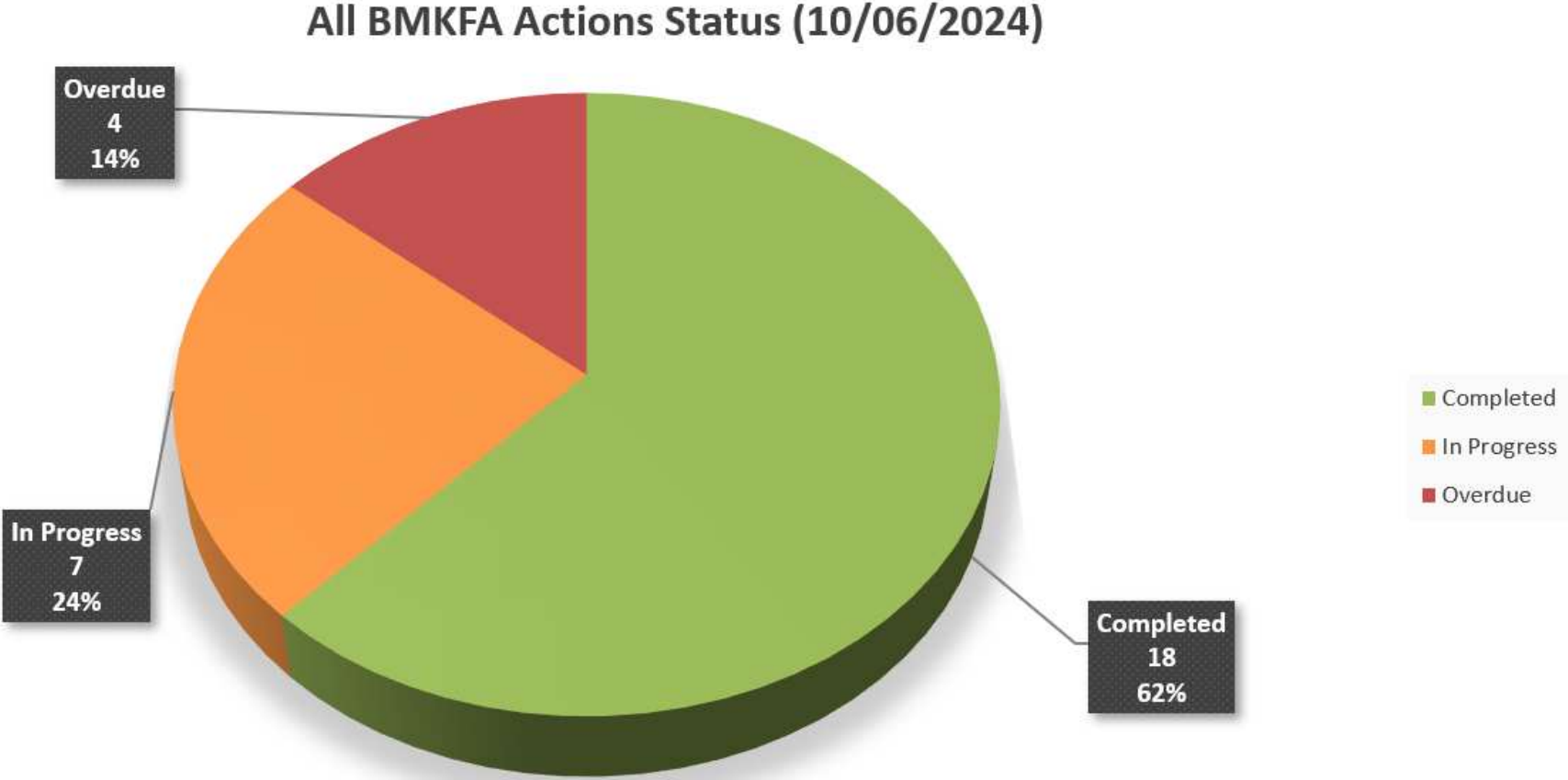
| | | |
|---|--------------------|---|
| <p>The Authority maintains a Partnership Register (last updated July 2022) for its eight current partnerships. However, we noted the following:</p> <ul style="list-style-type: none"> • The 'Date of last review by all partners' column did not always list the actual date and instead stated 'Annual' in five out of eight cases, meaning that it is unclear when the latest review took place; • The Manager of the partnership was not listed, • The most recent contract date signed (as opposed to the initial signing date) was not listed. Some partnerships are currently over five years old, with two being entered into in 2010 and 2012, • The annual cost of the partnership was not listed, • In addition, we note that it is not a live document and has not been updated since the last Partnership Governance Update in July 2022. Because of this, it has not reflected the renewal of the MK Safety Centre partnership in October 2022. <p>The Authority's Partnership Register, last updated in July 2022, presents areas of concern. The lack of specific dates for the last review by all partners, absence of the partnership manager's name, omission of the most recent contract signing date, and failure to list the annual cost of the partnership all contribute to a lack of transparency and accountability. This could potentially lead to mismanagement or inefficiencies within the partnerships.</p> <p>Furthermore, the Register is not a live document and has not been updated since the last Partnership Governance Update in July 2022. This has resulted in it not reflecting recent changes, such as the MK Safety Centre partnership renewal in October 2022. The outdated nature of the Register poses a risk of inaccurate record-keeping. It could impact the Authority's ability to manage its partnerships effectively.</p> | M | <p>Action:</p> <p>Within the central repository (see Finding 1) a live version of the partnership register will be created.</p> <p>Officer responsible: Director of Finance and Assets</p> <p>Date to be implemented by: 29 March 2024.</p> |
| Finding 3: Partnership Governance Update | Risk Rating | Agreed Management Actions |
| <p>The Authority Executive last received a Partnership Governance Update in July 2022. The update contained an executive summary detailing the rationale or partnerships introduced formally in 2014 and sections on risk management, legal implications, privacy/security implications, and key changes since the previous update. We note no mention of when the next Update should be provided to the Authority Executive. We were informed by the Director of Finance and Assets that the updates should be biennial and that this would be documented for clarity.</p> <p>We also note that the lapse in communications with the British Red Cross (the last noted date of review of the agreement by all partners is listed as 2014 in the Update) was not discussed.</p> <p>The absence of a specified date for the next update could lead to irregular or delayed updates, affecting the Authority's ability to manage its partnerships effectively. Although the Director of Finance and Assets has stated that updates should be biennial, this is not documented, which could lead to confusion or inconsistency in future updates.</p> | L | <p>Action:</p> <p>Frequency of updates (recommended biennial) to be specified in future reports.</p> <p>Officer responsible: Director of Finance and Assets.</p> <p>Date to be implemented by: 31 July 2024 (proposed date of next update)</p> |

| | | |
|---|---------------------------|---|
| <p>Furthermore, the lapse in communications with the British Red Cross, with the last noted date of review of the agreement by all partners listed as 2014, was not discussed in the update. This omission could indicate a lack of transparency and oversight, potentially impacting the effectiveness of the partnership.</p> | | |
| <p>Finding 4: Information Not Provided During the Audit Fieldwork</p> | <p>Risk Rating</p> | <p>Agreed Management Actions</p> |
| <p>We note the below pieces of evidence that were not provided to us by Management:</p> <ul style="list-style-type: none"> • The signed funding agreements with the MK Safety Centre, Safer Bucks Board and Safer MK; • The latest quarterly performance report provided by the MK Safety Centre, as well as the latest Safety Centre update provided to the Authority’s Performance Monitoring Board; • The Terms of Reference for the Safer Bucks Board; • The Safer Bucks Board 3-Year Plan; • The most recent Safer Bucks action log and • The most recent Safer Bucks Board quarterly meeting minutes. | <p>n/a</p> | |

Appendix 2: Current Status of Audit Actions

A detailed report of the actions that are overdue reported to SMB on a quarterly basis, in advance of reporting to the Overview and Audit Committee.

As at 10 June 2024, there were four out of 29 (14%) audit management actions which are overdue for implementation and seven actions that are in progress. The chart below highlights the status of all audit actions.



Overdue Audit Management Actions

Medium Priority

| Audit Title & Management Action | Description | Due Date | Priority | Action Owner | Latest Note |
|---|---|-------------|-----------------|--|---|
| PMO Assurance (03) Projects Over Budget/Time Request Approval | <p>Finding: The Head of Transformation, Technology and PMO confirmed that the Authority does not currently have an official process for extensions and instead held informal conversations with project managers. They encourage RAG ratings for updates within a project regarding budgets and timescales. However, going beyond estimated figures does not require approval. We were informed that this was due to the PMO being in its infancy.</p> <p>Action: Refresh and relaunch the change control process relating to projects.</p> | 31-Jul-2023 | Medium Priority | Head of Transformation, Technology and PMO | Update from Head of Technology, Transformation & PMO 27/02/2024: The Change control process has been highlighted in the Project Management ELearning Package. Compliance will be reviewed at each Business Transformation Board. Further update requested 05/06/2024. Compliance continues to be monitored at BTB but is being refreshed at an SMT level. The need for change control will feed into the Governance review that is underway. |
| PMO Assurance (02) The PMO's Standardisation of Project Processes | <p>Finding: The Head of Transformation, Technology, and PMO provided the Authority's guidelines around a project's process to ensure consistent and effective delivery. This included a detailed PMO presentation, a project life-cycle and various templated documents available for project managers. Furthermore, evidence was provided of an eLearning package and a page on the Fire Authority's intranet for PMs to review, explaining the process. In its design, the PMO's outlined a clear framework for consistency and successful delivery of projects. However, testing a sample of projects commencing after the PMO's creation outlined inconsistencies in the process they should follow and discrepancies regarding which documentation was completed for each project. The findings are as follows:</p> <ul style="list-style-type: none"> • 1/3 projects is without a completed project mandate; • 2/3 projects are without a completed business case; • 1/3 project is without a completed PID; • 3/3 projects are without a completed risk register which is key to reviewing the risks and controls in place within a project; • 3/3 projects are without a completed project plan, resulting in a lack of progress monitoring during the life of a project; | 31-Jul-2023 | Medium Priority | Head of Transformation, Technology and PMO | Update from Head of Technology, Transformation & PMO 27/02/2024: Action 1: Project Management eLearning package is ready to rollout and will be rolled out as part of the Project Management system launch in Q1. Action 2: Property Capital process has been agreed and will be incorporated in to the next Property Strategy (Closed) Action 3: A KPI showing the projects that have the correct documentation is now part of BMKFA 2122 2228 (Closed) Further update requested 05/06/2024. Action 1: Project Management eLearning |

| Audit Title & Management Action | Description | Due Date | Priority | Action Owner | Latest Note |
|---------------------------------|--|----------|----------|--------------|--|
| | <ul style="list-style-type: none"> • 3/3 projects are without a highlight report that updates management on key areas such as managing risks and their impact; and • 3/3 projects are without evidence of stakeholder communication for any of the projects that have commenced after creating the Authorities PMO function, despite stakeholders being outlined within the early project documentation. Furthermore, we were informed that Property capital projects do not follow the process outlined within the PMO's lifecycle document. Consequently, they did not have evidence of the key documentation such as mandates, PID, business case and risk registers. These are key documents for successful project delivery and should be evident across all types of projects. <p>Action:</p> <ol style="list-style-type: none"> 1. Launch Project Management e-Learning package. 2. Document a Property capital project process. 3. Introduce a PMO KPI relating to following the project process as part of finding 1. | | | | <p>package is ready to rollout. The rollout, as part of the Project management system launch, has been extended to Q2.</p> |

Low Priority

| Audit Title & Management Action | Description | Due Date | Priority | Action Owner | Latest Note |
|--|--|----------------|--------------|-------------------|---|
| PMO Assurance (05) Centralised System | <p>Finding: The Head of Transformation, Technology and PMO confirmed there was no centralised system for the storage of project documentation. There was evidence of a project dashboard, presented on an excel spreadsheet, which summarised the progress of all projects underway and in the review stage. This stated some key dates, the names of PMs and progress updates. However, there is no evidence of a system where documents can be accessed for each project. This would be beneficial from an audit trail perspective and allow PMs to follow previous projects' processes and learn from their mistakes.</p> <p>Action: Review the options available and launch a centralised system to store/review/access project documentation.</p> | 31-Jul-2023 | Low Priority | Anne-Marie Carter | Update from Head of Technology, Transformation & PMO 27/02/2024: A supplier and system have been identified. A project Plan has been built, with a go live planned for Q1(24/25) Further update requested 05/06/2024. No response yet received. |
| Pension Fund Administration (01) Performance/KPIs | <p>Finding: There were issues in July 2022 where Pension Set Up/Payment of Lump Sum, Retirement Actual and Deferred Benefits Set Up on Leaving did not reach their targets. This was highlighted in the following Pension Board meeting. However, there is a lack of evidence concerning scrutiny and challenge within minutes. In addition, no review of whether KPIs are still fit for purpose or whether they should be amended has taken place.</p> <p>If KPIs are not scrutinised in detail, and this is documented in minutes, there is a risk that any underperformance is not being rectified in time. This could lead to continuous poor performance, which could impact the Authority's reputation and/or create financial loss.</p> <p>Action: A review of the current KPI's with WYPF at the Pension Board to ensure they are fit for purpose. These KPI's will be scrutinised and challenged by the board and minutes documented.</p> | 31-Dec-12-2023 | Low Priority | Emma Hamilton | Update from the Deputy Director of Finance on 06/06/2024: KPI's are monitored as part of the Pension Board and we are planning to review them in the current financial year. |

Appendix 3 Definition of Assurance Opinions

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

No Assurance

“Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.”

Limited Assurance

“Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.”

Reasonable Assurance

“There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.”

Substantial Assurance

“A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.”



Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 17 July 2024

Report title: Corporate Risk Management

Lead Member: Councillor Keith McLean, Health, Safety and Corporate Risk

Report sponsor: Graham Britten, Director of Legal & Governance

Author and contact: Graham Britten, Director of Legal & Governance

Action: Decision

Recommendations:

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

Executive summary:

This report provides an update on the current status of identified corporate risks. Risk registers are maintained at project, departmental and directorate levels. Corporate risks are those that have been escalated from these levels for scrutiny by the Strategic Management Board (SMB) because of their magnitude, proximity or because the treatments and controls require significant development.

Officers draw on a range of sources to assist with the identification and evaluation of corporate risks. For example, membership of the Thames Valley Local Resilience Forum (TVLRF)'s Strategic Coordinating Group (SCG) facilitates active monitoring of a range of risks with the potential for impacts on local communities and services.

Involvement with the Local Resilience Forum directly links officers into national Government agencies and departments such as the UK Health Security Agency and the Department for Levelling Up, Housing and Communities. This allows the sharing of intelligence and information with those who are making decisions at the very highest levels.

The TVLRF SCG enables its partners to jointly develop combined responses to civil emergencies, and strategic consequence management. This multi-agency partnership approach helps target activity directly to the needs of the public.

The Corporate Risk Register was last reviewed by the Strategic Management Board (SMB) at its 18 June 2024 meeting and, prior to that, at the 6 June Performance Management Board (PMB) meeting, where all of the Directorate Risk Registers were

reviewed. No risks were recommended for escalation to SMB for inclusion in the Corporate Risk Register.

No changes to the risk scores or RAG status' have been made since Members last reviewed the Corporate Risk Register at the 13 March 2024 Overview and Audit Committee meeting. However, the following updates to the Corporate Risks have been made:

- 'Workforce Availability / Stability' risk - agreement for 12 wholetime firefighter candidates to start in September and progress with positive action reported to BTB and SMB.
- Industrial action – The FBU Executive Council recommended that Members accept the NJC's 4% pay offer. The pay award has now been accepted and confirmed by the NJC. Industrial action in other sectors continues, notably in the NHS (junior doctors) and rail sector.
- 'Financial Stability' risk – no significant changes since the outlook for this since last reported on.
- 'Information Management / Security' risk – reminders sent to all staff to complete the two biennial mandatory cybersecurity related training packages;
- 'Climate Change - wildfire response now forms part of the Service's resourcing capability alongside themed prevention messaging. Climate change as a risk is included in the draft 2025-2-30 CRMP and the climate action plan is being progressed.
- 'Values / Culture' risk – new Promise, Values and Behaviours approved and launched. SWOT analysis in relation to other FRS' culture report findings undertaken. Staff culture survey completed. Analysis of findings and follow on action planning underway.

The current distribution of corporate risks relative to probability and potential impact is shown at Appendix 1.

Changes to the corporate risk ratings over the last 12 months are shown at Appendix 2.

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

Financial implications:

No direct financial implications arising from the presentation of this report. It is envisaged that the further development of the Authority's corporate risk management framework will be undertaken from within agreed budgets.

Risk management:

The development, implementation and operation of effective corporate risk management structures, processes and procedures are considered critical to assure continuity of service to the public, compliance with relevant statutory and regulatory

requirements and the successful delivery of the Authority's strategic aims, priorities and plans.

Legal implications:

None directly arising from this report. Any legal consequences associated with the crystallisation of individual risks are detailed in the Risk Register report at Appendix 3.

Within the role description of a Lead Member is a requirement 'to attend the Overview and Audit Committee, at its request, in connection with any issues associated with the portfolio which is the subject of scrutiny'.

Privacy and security implications:

None directly arising from the presentation of this report. However, potential risks to privacy and security together with mitigating actions are captured within applicable risk evaluations.

Duty to collaborate:

The potential to share corporate risk intelligence with neighbouring fire and rescue services and other relevant agencies will be considered. Buckinghamshire and Milton Keynes Fire Authority already participates in the multi-agency Thames Valley Local Resilience Forum which produces a Community Risk Register which is among the sources used to identify potential risks to the Authority.

Health and safety implications:

Development of the framework does not impact directly on the legal compliance to health and safety, however if risks are not appropriately identified or evaluated then this may present Health and Safety risks.

Environmental implications:

None directly arising from the presentation of this report. However, potential environmental implications together with mitigating actions are captured within applicable risk evaluations.

Equality, diversity, and inclusion implications:

No direct implications from the presentation of this report. However, risks to achieving the Authority's equality, diversity and inclusion objectives or compliance with relevant statutes or regulations are identified assessed and managed via this process and are currently monitored within the HR Risk Register. Equality Impact Assessments are undertaken on strategies, change, procedures and projects.

Consultation and communication:

Senior managers and principal officers are key stakeholders in the development of the corporate risk management framework and have an active role in this at every stage as well as in ongoing identification, evaluation and monitoring of corporate risks. The Lead Member for Health, Safety and Corporate Risk is also be involved in the development of the framework with particular responsibility for determining the reporting arrangements for the Authority.

Background papers:

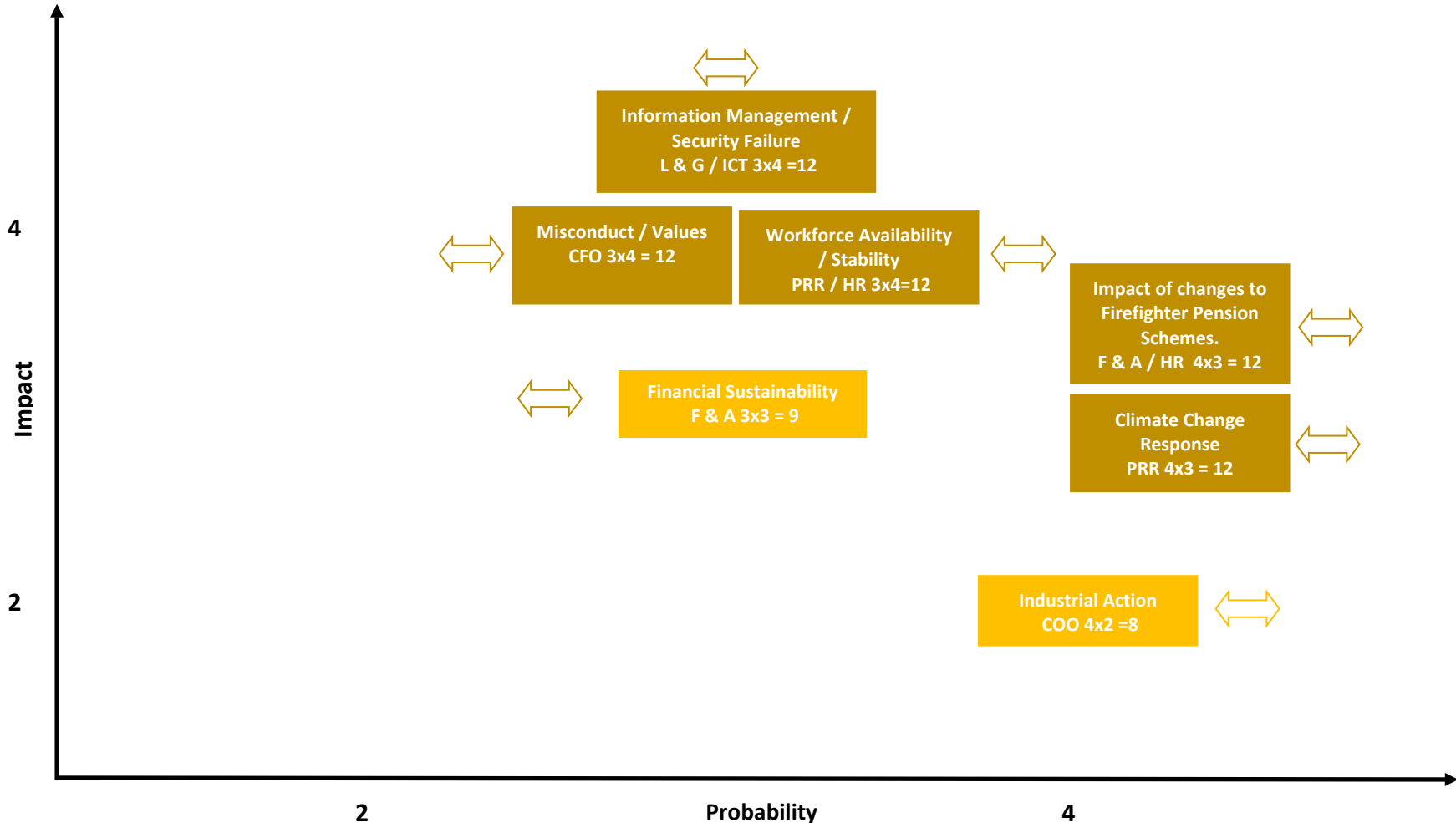
The current Corporate Risk Management Policy was approved at the 24 March 2021 Executive Committee:

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

Fire Authority Members were last updated on the status of the Authority's Corporate Risks at the [13 March 2024](#) Overview and Audit Committee meeting.

| Appendix | Title | Protective Marking |
|----------|--|--------------------|
| 1 | Distribution of Corporate Risks as at 18 June 2024 SMB | None |
| 2 | 12 Month View of Changes to Corporate Risks | None |
| 3 | Corporate Risk Register Report | None |

Appendix 1: Corporate Risk Map – As at 18 June 2024 SMB



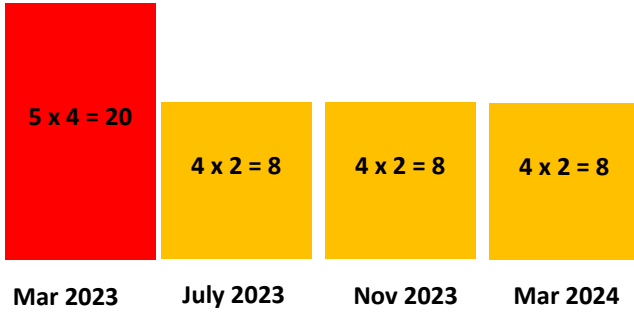
RAG **P x I = Score**

Risk Trend Indicator
 Risk increasing = ↑ No change = ↔ Risk Reducing = ↓

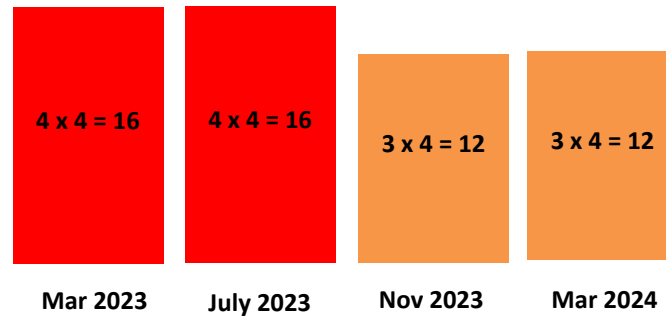
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Appendix 2 – Risk Register Changes (12 Month View)

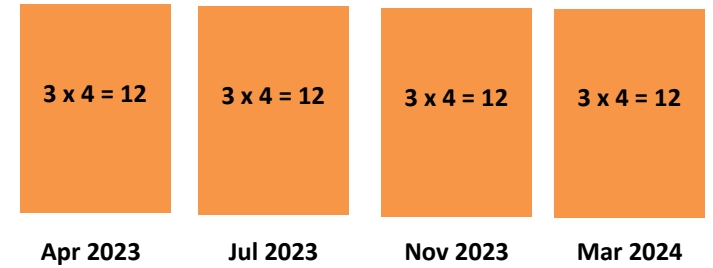
Industrial Action



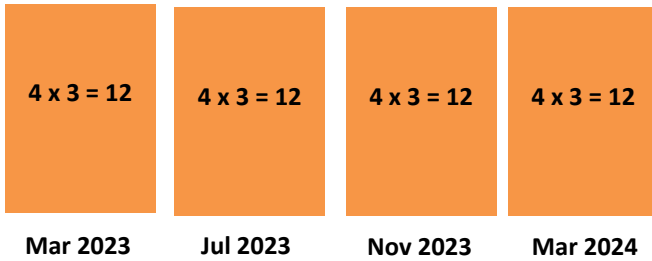
Workforce Availability / Stability



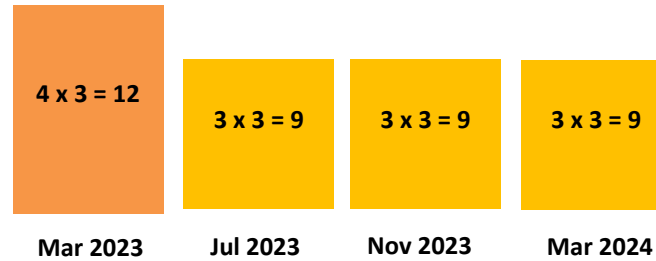
Misconduct / Values



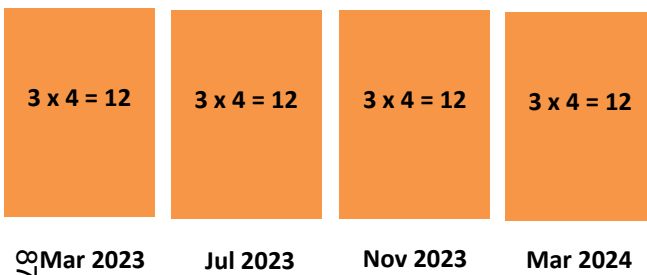
Climate Change Response



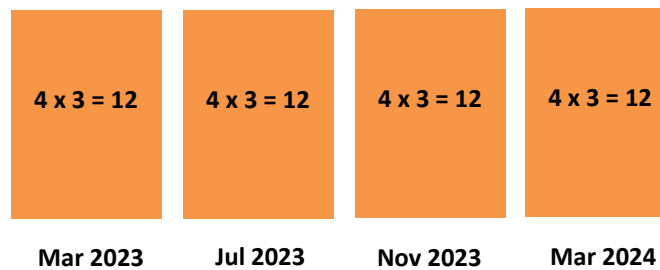
Financial Sustainability



Information Management / Security Failure



Impact of Changes to Firefighter Pension Schemes



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Appendix 3 - Corporate Risk Register – as at 18 June 2024

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 | | | | |
| <p>Workforce Availability / Stability: 1/ Staff inability or reduced ability to work due to disruption caused by factors such as Pandemic Flu, fuel supply issues, industrial action etc.</p> <p>2/Impact of employment market conditions on attraction of new staff, retention of existing staff, and overall workforce stability (specifically the ratio of experienced / competent staff to inexperienced</p> | Lead Member for Service Delivery, Protection & Collaboration | Potential detrimental effects on service delivery to the community and the Service's reputation. | (2) | (5) | (10) | (M) | <ul style="list-style-type: none"> Business continuity plans in place & uploaded to Resilience Direct. Succession Plans in place for key leadership and management personnel. Contingency arrangements in place to mitigate risks to Principal Officer operational rota capacity. Peer review of the business continuity arrangements Bank System Flexi-Duty System Staff Transfer Procedure Employee assistance and welfare support Training Needs Assessment process Annual monitoring of staff 'stability ratio' relative to best practice and sector norms, presented to Workforce Planning Group Review People Strategy and annual updates on progress to Fire Authority Wider range of contracts offering more flexible ways of working A variety of approaches are being adopted to replenish the workforce. These include more operational apprentices, transferees, and re-engagement options. Workforce planning data is regularly reviewed -by the Workforce | A | <p>16 January 2024 SMB: Decision made to delay cohort 12 until later in the year (September / October 2024) due to workforce planning showing fewer recruits are needed due to lower numbers of leavers. Current establishment 316. Positive action work being undertaken in January and February.</p> <p>Work on Minimum Service Levels continues to progress, and we await final guidance. Discussions ongoing with Thames Valley partners regarding resilience arrangements.</p> <p>20 February 2024 SMB: A programme of positive action started from 12 January targeted at under-represented groups using non-assessed Role Related Testing (RRT) in the first instance. This will help identify barriers and inform a programme of physical training activities and consolidation events aimed at minimising the impact of any underlying disadvantages. Further post RRT work is scheduled offering workshops on interview and presentation techniques.</p> <p>The Service is in a position to offer employment to 6 candidates who will commence on 9 September 2024. We will also be able to create a pool of candidates should any of the 6 leave the course unexpectedly. These recruitment activities are continuing to increase our establishment and the Workforce Planning Group ensure that we're keeping above the global target of 300 (Wholetime firefighters).</p> |
| | | | (5) | (5) | (25) | (H) | | | |
| | | | (3) | (5) | (15) | (H) | | | |
| | | | (4) | (5) | (20) | (H) | | | |
| | | | (3) | (5) | (15) | (H) | | | |
| | | | (4) | (3) | (12) | (M) | | | |
| | Deputy Chief Fire Officer | Failure to discharge statutory duties. | (5) | (3) | (15) | (H) | | | |
| | | | (4) | (3) | (12) | (M) | | | |
| | | | (5) | (3) | (15) | (H) | | | |
| | | | (3) | (3) | (9) | (M) | | | |
| | | | (4) | (3) | (12) | (M) | | | |
| | | | (4) | (4) | (16) | (H) | | | |
| | Loss of critical knowledge / skills / capacity / competency levels. | 3 | 4 | 12 | M | | | | |
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| | Disruption to integrity and continuity of the incident command structure and / or Service strategic leadership structure. | | | | | | | | |
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Appendix 3 - Corporate Risk Register – as at 18 June 2024

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|--|--|--|--|--|--|--|---|--|
| <p>staff / staff in development.</p> <p>3/ Simultaneous loss of Principal Officers / Senior Management Team members.</p> <p>This is a composite risk more detailed evaluations of individual risk components are contained in Directorate Risk Registers.</p> | | | | | | | <p>Planning Group.</p> <ul style="list-style-type: none"> • Growth bids to be considered to support future resourcing demands. • OD are reviewing the future promotion and career development options. • Resourcing levels are constantly monitored to ensure coverage. • Pensions remedy consultation received, response to be drafted. Workforce planning reviewed for implications and plans put in place. • Development Centres held as required. • On-call virtual and face to face awareness evenings held, and recruitment continues. • Analysis of feedback from staff leaver exit interviews. | <p>Alongside the Wholetime recruitment, we have 13 new On Call starters who commenced on 5 February 2024 at different stations across the Service. In addition, there is another On Call intake planned to commence in August 2024.</p> <p>The Government has laid regulations before Parliament on how Minimum Service Levels (MSLs) will be applied to Fire and Rescue Services (FRS) in England. During strike action FRS will be expected to attend all emergencies as they would if a strike was not occurring. The MSLs cover emergency response, control room, national resilience functions, and urgent Protection and Prevention activity. The regulations state that during strikes, FRSs will be expected to crew 73% of fire engines and other vehicles. Further information. The FBU continues to oppose the introduction of these measures.</p> <p><u>23 April 2024 SMB</u> Positive Action report presented to Business Transformation Board and Strategic Management Board, showing progress to date and planned programme of events.</p> <p>Agreement for 12 candidates to start in September, Interviews undertaken w/c 15 April. Workforce Planning Group review undertaken by key stakeholders, report to be presented to 30 April SMT.</p> <p><u>21 MAY 2024 SMB</u> Positive Action report presented to SMB ahead of June Fire Authority – appendices include recruitment process, equality impact assessment, engagement proposal, candidate feedback and positive action programme review and statement.</p> <p><u>18 June 2024 SMB</u> 12 Wholetime Apprentices due to start in September, employment checks underway. On Call recruitment for August underway</p> |
|--|--|--|--|--|--|--|---|--|

Appendix 3 - Corporate Risk Register – as at 18 June 2024

| Risk Description | Resp. | Consequences if Untreated Risk Occurs | Risk Score (Former) / New | | | Risk Level | Current Treatment | RAG | Comments / Further Treatment Proposed | |
|--|--|--|---------------------------|---|---|------------|---|----------|---|--|
| | | | P | I | Σ | HML | | | | |
| Disruption to key Service functions due to industrial action (including third party industrial action) potentially leading to reduced staff availability and / or diversion of resources to help partner services maintain continuity of service. | Lead Member for Service Delivery, Protection & Collaboration | Detrimental effects on service delivery to the community and the Service's reputation. | 4 | 2 | 8 | M | <ul style="list-style-type: none"> Business continuity plans in place & uploaded to Resilience Direct. Bank System Wider range of contracts offering more flexible ways of working | A | <p>23 April 2024 SMB NJC pay consultation survey completed for Grey Book. Support Services pay scales & pay and allowances review conducted by South East Employers continues, guidance note to be written for consultation. Outcomes expected end of April. National Minimum wage increases for 1 April, Support Services employees impacted written to.</p> <p>A recent Institute for Fiscal Studies report noted a significant reduction in industrial action across the public sector, compared with the first half of 2023. However, significant ongoing strike action continues in some parts of the sector, notably by junior doctors in the NHS. The report also noted that even with pay settlements agreed in summer 2023, average pay in the public sector is still around 2% lower than in January 2010 and similar to its level in 2007 whereas private sector pay has increased by c. 5% since 2010. The IFS concludes that the suppression of public sector wage growth relative to the private sector is likely to lead to issues with recruitment, retention and motivation.</p> <p>21 May 2024 SMB The FBU Executive Council recommended that Members accept the NJC's 4% pay offer. The pay award has now been accepted and confirmed by the NJC: https://www.fbu.org.uk/pay-rates/pay-settlement-2024</p> <p>18 June 2024 SMB 4% Pay award due to be implemented 1 July for Wholetime and On Call – pay, CPD, further</p> | |
| | Deputy Chief Fire Officer | Increased risk to the public (including life and property), economy and the environment due to inadequate or insufficient response to emergency incidents. | | | | | | | | <ul style="list-style-type: none"> Flexible and hybrid working procedures. Remote working technologies. Regular communication with staff, rep bodies and, where appropriate, third party organisations. |
| | | Failure to discharge statutory target duties. | | | | | | | | |
| | | Disruption to service delivery and support functions due to loss of capacity. | | | | | | | | |
| | | Delay to implementation of Service plans and projects due to loss of capacity. | | | | | | | | |

Appendix 3 - Corporate Risk Register – as at 18 June 2024

| Risk Description | Resp. | Consequence if Untreated Risk Occurs | Risk Score (Former) / New | | | Risk Level | Current Treatment | RAG | Comments / Further Treatment Proposed |
|---------------------------------|--|---|---------------------------|----------|----------|------------|--|-----|--|
| | | | P | I | Σ | HML | | | |
| Financial Sustainability | Lead Member for Finance and Assets, Information Security & IT Director Finance & Assets | The Medium-Term Financial Plan (MTFP) factors in several assumptions when forecasting the financial position. Future costs are significantly affected by the level of pay awards (which for most staff are determined nationally), general price inflation and changes to employer pension contributions. Future funding levels are affected by council tax referendum limits, growth in council tax and business rate bases, the level of general government funding and specific grants. If a number of these areas are significantly worse than forecast | (4) | (4) | (16) | (H) | Proactive management of the MTFP is in force and is very closely aligned to workforce planning. As part of the budget setting process, Officers will seek to identify savings opportunities to address potential future cost pressures. A risk-assessed General Fund reserve of £1.6m (circa five per cent of the net budget requirement) is held to cover a range of potential financial risks. In addition, earmarked reserves are held to fund specific anticipated future costs. | | <p>4 April 23 SMB No further developments to report. No change to risk score or RAG status.</p> <p>16 May 2023 SMB Agreed that the risk impact score be reduced from 4 to 3, in light of improved MTFP outlook resulting in overall reduction to low-medium RAG status.</p> <p>20 June 2023 SMB No new developments of significance to report. No changes to risk score or RAG status.</p> <p>22 August 2023 SMB: No further developments to report. No change to risk score or RAG status.</p> <p>19 September 2023 SMB: No further developments to report. No change to risk score or RAG status.</p> <p>17 October 2023 SMB: No further developments to report. No change to risk score or RAG status.</p> <p>16 January 2024 SMB: The Government published the Provisional Local Government Finance Settlement 2024 to 2025 on 18 December 2023. The most significant announcement for the Service is that the core referendum principle for all fire and rescue authorities would be held at 3%, which is lower than the £5 flexibility available to the Service in the previous two years. Standalone FRAs have the lowest core spending power increase of all classes at 4.6% (in cash terms). The Services Grant decreased by more than forecast (84% compared to 50%) but the Service will now receive the funding guarantee grant, which ensures all services' core spending power increases by at least 3% before any decisions on Council Tax are made. 31 out of 44 FRAs will receive this funding in 2024-25. Final amounts receivable from Council Tax and business rates (NNDR) will not be</p> |
| | | | (3) | (4) | (12) | (M) | | | |
| | | | (3) | (4) | (12) | (M) | | | |
| | | | (4) | (4) | (16) | (H) | | | |
| | | | (4) | (3) | (12) | (M) | | | |
| | | | (4) | (4) | (16) | (H) | | | |
| | | | (3) | (4) | (12) | M | | | |
| | | | 3 | 3 | 9 | M | | | |

Appendix 3 - Corporate Risk Register – as at 18 June 2024

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|--|--|--|--|--|--|--|--|--|---|
| | | <p>there is a risk the Authority will not meet its commitment to the PSP 2020 - 25 and that a fundamental re-think of service provision would be required.</p> | | | | | | | <p>confirmed until 31 January 2024.</p> <p><u>20 February 2024 SMB:</u> The Authority approved the MTFP for 2024/25 to 2028/29 at its meeting on 14 February 2024. The overall final funding position for 2024/25 was very close to the level that had been forecast throughout the year, although business rates funding for future years is now forecast to be circa £500k lower per year than previously thought. The risk is to remain at amber due to the ongoing volatility of business rates funding, as well as uncertainty of the future of significant amounts of grant funding, namely USAR grant, pensions grant and the minimum funding guarantee.</p> <p><u>23 April 2024 SMB</u> No further developments to report. No change to risk score or RAG status.</p> <p><u>21 May 2024 SMB</u> No further developments to report. No change to risk score or RAG status.</p> <p><u>18 June 2024 SMB</u> On 22 May 2024 it was announced that a general election would be held on 4 July 2024. The timing of the election means that the financial settlement for 2025-26 could be a one-year “rollover” or determined in a Comprehensive Spending Review, with allocations for 3-5 years. There is no change to the risk score at present.</p> |
|--|--|--|--|--|--|--|--|--|---|

Appendix 3 - Corporate Risk Register – as at 18 June 2024

| Risk Description | Resp. | Consequences if Untreated Risk Occurs | Risk Score (Former) / New | | | Risk Level | Current Treatment | RAG | Comments / Further Treatment Proposed |
|---|--|--|---------------------------|-----------------|-------------------|-----------------|---|-----|--|
| | | | P | I | Σ | | | | |
| <p>Information Management* / Security failure to -</p> <p>a) comply with statutory or regulatory requirements</p> <p>b) manage technology</p> <p>c) manage organisational resources</p> <p>Deliberate: unauthorised access and theft or encryption of data. Accidental: loss, damage or destruction of data</p> | <p>Lead Member for Finance and Assets, Information Security & IT</p> <p>Senior Information Risk Owner (SIRO) Director Legal & Governance</p> | <ul style="list-style-type: none"> Inability to access/use the e-information systems. Severe financial penalties from the Information Commissioner Lawsuits from the public whose sensitive personal information is accessed causing damage and distress. <p>*Information management is concerned with the acquisition, custodianship and the distribution of information to those who need it, and its ultimate disposition through archiving or deletion. Information security is the practice of protecting information by</p> | (4) 3 | (4) 4 | (16) 12 | (H) M | <p>1. Appropriate roles:</p> <ul style="list-style-type: none"> SIRO has overall responsibility for the management of risk Information and information systems assigned to relevant Information Asset Owners (IAO's) 'Stewards' assigned by IAO's with day-to-day responsibility for relevant information. <p>2. Virus detection/avoidance:</p> <p>Anti-Malware report – no significant adverse trends identified which indicates that improved security measures such as new email and web filters are being successful in intercepting infected emails and links.</p> <p>3. Policies / procedure:</p> <p>Comprehensive review and amendment of the retention and disposal schedules / Information Asset Registers,</p> <ul style="list-style-type: none"> current and tested business continuity plans / disaster recovery plans employee training/education tested data/systems protection clauses in contracts and data-sharing agreements Integrated Impact Assessments (IIA) disincentives to unauthorised access e.g. disciplinary action <p>4. Premises security:</p> <ul style="list-style-type: none"> Preventative maintenance schedule Frequent audits at Stations and inventory aligned to asset management system. <p>5. Training:</p> <p>The biennial "Responsible for Information" training supplemented by the National Cyber Security Centre's e-learning package 'Top Tips for Staff' which has been built into the Heat training platform as a mandatory biennial package.</p> | A | <p>20 June 2023 SMB:</p> <p>The investment in Microsoft Defender, its additional layer of protection to the existing firewall, and its reporting tools since March 2023 enable BFRS to better monitor its exposure and vulnerability to cyberattacks via email and prioritise remedial actions.</p> <p>22 August 2023 SMB:</p> <p>The Data Protection and Digital Information Bill (DPDI Bill) introduced into Parliament on 18 July 2022 (comment 18 October 2022) was withdrawn on 8 March 2023. Its replacement is the Data Protection and Digital Information (No.2) Bill, for which the Written Ministerial Statement confirms government's intention to "reduce compliance costs [...] and reduce the amount of paperwork that organisations need to complete to demonstrate compliance"</p> <p>19 September 2023 SMB:</p> <p>On 1 September 2023 the Information Commissioner's Office confirmed that it had issued a reprimand to Gloucester City Council in respect of breaches of the UK GDPR. Gloucester City Council (GCC) had failed to implement appropriate technical and organisational measures to properly secure its systems. GCC had suffered a cyber-attack via phishing email from a legitimate third-party email address which resulted in some of</p> |

Appendix 3 - Corporate Risk Register – as at 18 June 2024

| | | | | | | | | |
|--|--|--|--|--|--|--|---|---|
| | | <p>mitigating risks such as unauthorised access and its unlawful use, disclosure, disruption, deletion and corruption. As more and more information is held electronically risks have become systems, as well as process and people based and are therefore vulnerable to cyber-attacks. Cyber-crime is unrelenting, and issues arise at a greater frequency than existing intrusion attempts can be resolved. As such, this is a constant on the CRR.</p> | | | | | <p>Mandatory HEAT training completion is monitored quarterly as part of the Service performance measures.</p> | <p>its systems being affected more than 18 months after the attack.</p> <p><u>17 October 2023 SMB:</u> Proposals from Buckinghamshire Council for data retention/minimisation training agreed by SMB.</p> <p><u>16 January 2024 SMB:</u> On 19 December the DPDI (No.2) Bill (now renamed as the DPDI Bill) had its second reading in the House of Lords and a motion was passed to send it to Grand Committee. On 20 December, overviews of the expected impact of changes to the DPDI Bill following Committee Stage and Report Stage were added to the Government's list of supporting documentation</p> <p><u>20 February 2024 SMB:</u> Data retention/minimisation training dates being scheduled by organisational development.</p> <p><u>23 April 2024 SMB</u> Email send to 'Leadership Group' 28 Feb – reminding all staff to complete the two biennial mandatory cybersecurity related training packages on HEAT : 'Stay safe online' and 'Responsible for information'.</p> <p><u>21 May 2024 SMB</u> No further developments to report. No change to risk score or RAG status.</p> <p><u>18 June 2024 SMB</u> Data retention/minimisation training delivered to two cohorts of staff (22 and 29 May).</p> |
|--|--|--|--|--|--|--|---|---|

Appendix 3 - Corporate Risk Register – as at 18 June 2024

| Risk Description | Resp. | Consequences if Untreated Risk Occurs | Risk Score (Former) / New | | | Risk Level HML | Current Treatment | RAG | Comments / Further Treatment Proposed |
|--|---|--|---|----------|------------|-------------------|--|-----|--|
| | | | P | I | Σ | | | | |
| Court of Appeal ruling on the McCloud / Sargeant cases: potential impact on staff retirement profile, resourcing to implement required changes and financial impacts thereof. | Lead Member for Finance and Assets, Information Security & IT | Failure to discharge statutory duties. | (5) 4 | (3) 3 | (15) 12 | H M | <ul style="list-style-type: none"> Potential impacts on costs are factored into future Medium-Term Financial Planning process. Recruitment of dedicated specialist resource to evaluate requirements arising from the Court of Appeal ruling and implement necessary administrative changes. | M | <p><u>15 November 2022 SMB</u> No change to risk score or RAG status</p> <p><u>21 February 2023 SMB</u> No significant developments to report. Monitoring continues. No change to risk score / RAG status.</p> <p><u>16 May 23 SMB</u> The Home Office have launched a consultation on the amendments to the pension scheme regulations to enact second phase of remedy in the McCloud/Sargeant cases. The consultation is open until 23 May 2023. The legislation is expected to be implemented from 1 October to remedy the discrimination that had taken place between 1 April 2015 and 31 March 2022.</p> <p><u>20 June 2023 SMB</u> No new developments. No changes to risk score or RAG status</p> <p><u>22 August 2023 SMB:</u> The Home Office has published the Government’s formal response to the consultation on the draft Firefighters’ Pensions (Remediable Service) Regulations 2023 and policy intent to implement the retrospective phase of the McCloud/Sargeant remedy. The Regulations were laid before Parliament on 20 July 2023 and will come into force 1 October 2023. This will allow the Service to more accurately process prospective cases and revisit and finalise cases already processed. Although the Regulations provide clarity, risks remain about the capacity to deliver within defined timescales due to the number of cases our pension administrator will be dealing with nationally.</p> <p><u>19 September 2023 SMB:</u> No new developments. No changes to risk score or RAG status</p> |
| | Director Finance & Assets | Failure to comply with legal requirements. | Unknown / unquantified budgetary impacts. | | | | | | |

Appendix 3 - Corporate Risk Register – as at 18 June 2024

| Risk Description | Resp. | Consequences if Untreated Risk Occurs | Risk Score (Former) / New | | | Risk Level | Current Treatment | RAG | Comments / Further Treatment Proposed |
|--|---|---|---------------------------|----------|-----------|------------|--|----------|--|
| | | | P | I | Σ | HML | | | |
| <p>Increased risk of wildfires, flooding, gales and altered hydrology due to effects of climate change.</p> <p>UK Climate Change Risk Assessment 2022 (publishing.service.gov.uk)</p> | <p>Vice Chairman of the Authority.</p> <p>Assistant Chief Fire Officer.</p> | <p>Failure to protect people from the risks associated with climate change including potential damage to:</p> <ul style="list-style-type: none"> • Infrastructure and local businesses • Housing • Agriculture • Food production and distribution • Forestry • Heritage • Sensitive environments • BFRS premises (building fabric) • Education • CNI sites <p>Inability to effectively respond during extreme weather events.</p> <p>Inability to effectively deal with increasing incidents within recycling, electricity generation and distribution, largescale battery storage, and electric/hydrogen fuelled vehicles.</p> | 4 | 3 | 12 | M | <p>Provision of National Operational Guidance programme which adapts to changing environment. Adoption of guidance as best practice across Thames Valley. Strategic gap analysis underway to identify and close gaps relative to national best practice.</p> <p>Provision of equipment and training to deal with wildfire, water rescue and flooding, and extreme weather events. Adverse weather procedure in place and business continuity plans for all sites. Research and development officer continues to identify new equipment and practice to mitigate emerging risks (e.g. new equipment to reduce risk involving fires with photovoltaics)</p> <p>Access to and provision of specialist tactical advisors through national resilience framework.</p> <p>Urban Search and Rescue team in-service equipped to deal with major building/infrastructure collapse.</p> <p>Specialist boat rescue capability situated in north and south of county. Both included on national asset register. All staff trained appropriately in working in flood water.</p> <p>Site-specific risk assessments and risk information for high risk sites – being expanded to include broader risks such as wildfire, water rescue and flooding and</p> | A | <p><u>20 June 23 SMB</u> Iveco 7.5 tonne pumping appliance is now prepared for mobilisation as a specialist off-road appliance. The vehicle is switch crewed at WAS and will be positively crewed during periods of high wildfire risk. Two further utility vehicles are being modified to include a high-pressure hose and off-road capability. Training to improve resilience of our existing bulk water carriers is also underway. Two officers have been trained as wildfire tactical advisors by Surrey FRS. Officers are engaging with the NFU and Forestry Commission as well as developing prevention materials for use across the Thames Valley.</p> <p><u>19 September 2023 SMB:</u> Three wildfire units now in the service. One vehicle is operational and has been utilised for emergencies. Training underway for other vehicles. Two wildfire advisors now trained. Wildfire prevention messaging developed and in use.</p> <p><u>17 October 2023 SMB:</u> Operational preparedness now focussing on forthcoming winter pressures. BFRS officers attended national wide area flooding training exercise in October 2023. Thames Valley LRF Winter Pressures function is now stood up, ensuring partners work collaboratively over winter period, cognisant of weather-related risks and service impacts. Surface, fluvial and groundwater flood alerts are shared to the service to ensure operational plans are implemented when required. Training for wildfire vehicle provision continues in preparation for next year.</p> <p><u>16 January 2024 SMB:</u> Updated Winter Weather Response Plan approved for release at 4 January Business Transformation Board</p> |

Appendix 3 - Corporate Risk Register – as at 18 June 2024

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|--|--|--|--|--|--|--|--|
| | | | | | | <p>transport. Access to wildfire severity index and flood forecasting data to assist planning.</p> <p>Targeted national and local prevention messaging to mitigate risks at key points in the calendar (e.g. water safety summer/winter – Barbecues spring/summer – Chimneys – Autumn).</p> <p>Back-up power generators to protect emergency response sites from power outages. Regular building surveys from facilities team. Fleet replacement programme ongoing.</p> <p>Bunkered fuel stocks and establishing fleet of alternative fuel vehicles where appropriate to mitigate risk of fuel disruption.</p> <p>Emerging risks group in place to horizon scan and ensure preparedness for future risks.</p> <p>Engaged with NFCC to identify and prepare for longer term “fit for the future” considerations.</p> <p>Engaged in local resilience groups for flood management.</p> <p>Isotonic supplements and cool boxes added to appliance inventories.</p> <p>Wildfire response capability developed</p> | <p>meeting.</p> <p>20 February 2024 SMB: TV LRF Emergency Response Arrangements were stood up in January 2024 in response to fluvial and groundwater flooding across parts of the Thames Valley. BFRS assets were deployed into Berkshire to assist evacuation. These arrangements have since been stood down. Preparations for the wildfire vehicle provision continue, with driver training being the main focus.</p> <p>23 April 2024 SMB Second wildfire vehicle is now available for deployment, third vehicle coming online during April/May. This will give flexibility to crew-up 4x4 wildfire vehicles during periods of higher risk. BFRS facilitated a regional strategic CPD event in March, to improve regional preparedness regarding summer pressures. Themed prevention messaging and engagement will be delivered as we move into summer period.</p> <p>21 MAY 2024 SMB Wildfire response now forms part of resourcing capability alongside themed prevention messaging. Climate change as a risk is included in the draft 2025-2-30 CRMP and the climate action plan is being progressed. On 22 May the Government launched its community resilience platform gov.uk/prepare Officers are now considering how to signpost this community resilience platform through our website.</p> <p>18 June 2024 SMB All three wildfire vehicles available for deployment, forming part of our response capability. Officers continue to monitor climate related influences and adapt response capability to meet specific needs. The wildfire severity index is currently Increasing as we move into the summer period.</p> |
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Appendix 3 - Corporate Risk Register – as at 18 June 2024

| Risk Description | Resp. | Consequences if Untreated Risk Occurs | Risk Score (Former) / New | | | Risk Level | Current Treatment | RAG | Comments / Further Treatment Proposed |
|--|--|---|---------------------------|---|----|------------|-------------------|--|---------------------------------------|
| | | | P | I | Σ | | | | |
| Risk of misconduct / behaviours at odds with Service Values on the part of individuals or groups in the employ of, or associated with, the Service and / or the Fire Authority. | Lead Member for Service Delivery, Protection & Collaboration | Harm to members of the public and / or Service personnel. | 3 | 4 | 12 | M | | M | |
| | Chief Fire Officer | <p>Potential exposure to litigation and financial loss</p> <p>Reputational damage resulting in negative publicity locally / nationally leading to public loss of confidence in the Authority / Service.</p> <p>Staff / member loss of confidence in Authority and / or Service leadership / management.</p> | | | | | | | |
| | | | | | | | | <ul style="list-style-type: none"> Updated employee Code of Conduct approved by the Authority’s Executive Committee on 22 March 2023. Updated Whistleblowing procedure and reporting process in place. Since 2016, DBS checks on all relevant staff, including all frontline staff, undertaken. In 2019 additional vetting implemented with move to annual Enhanced with barred list DBS checks. A range of support in place for staff to raise concerns, including access to the Welfare Officer and Occupational Health and also, in relation to investigations, the allocation of a point of contact who is not part of the investigation. Procedure for members of the public to raise concerns and complaints in place and reported on annually to the Overview and Audit Committee. Biennial staff surveys undertaken since 2017. Quarterly performance reporting of key people related measures to Fire Authority members. Thorough review of the Equality Impact Assessment process undertaken in 2022. This led to the update of the template and supporting guidance. A e-learning package was created and face to face support available across the service. This remains a key focus when items are presented at our governance meetings. Ongoing engagement with the representative bodies issues to identify <p>Steps being taken by Service management to address the recommendations made by the HMICFRS in their national ‘Values and culture in fire and rescue services’ were considered at an exceptional meeting of the Fire Authority on 28 April 2023.</p> <p>Further Treatments</p> <ul style="list-style-type: none"> Review and relaunch of confidential whistleblowing line planned supported by a promotional ‘speak up’ campaign. Gap analysis underway in relation to the Fire Standards Board’s ‘Leading the Service’ and Leading and Developing People standards. Staff survey increased to annual. <p>19 September 2023 SMB: Work continues on delivering the HMICFRS Values and Culture Recommendations. Our Anti-Bullying and Harassment procedure has been updated and includes the different ways people can raise their concerns, supported by the Speak Up Campaign. The Service continues to look at ways our work can be scrutinised externally:</p> <ul style="list-style-type: none"> Achieved Employers Network for Equality and Inclusion (ENEI) Talent Inclusion and Diversity Evaluation (TIDE) Silver standard for 23/24. Achieved White Ribbon Accreditation <p>17 October 2023 SMB: Work continues on delivering the HMICFRS Values and Culture Recommendations:</p> <ul style="list-style-type: none"> Following change in legislation, DBS checks for all staff underway; Speak up campaign being rolled out; | |

Appendix 3 - Corporate Risk Register – as at 18 June 2024

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| | | | | | | | <p>potential issues / concerns.</p> <ul style="list-style-type: none"> • Analysis of feedback from staff leaver exit interviews. • Analysis of grievance / complaint procedure findings to identify recurring issues that could indicate systemic origins. | <ul style="list-style-type: none"> ○ 360 feedback trial complete and being rolled out to the wider leadership team. <p><u>14 November 2023 SMB:</u> Speak up campaign continues to be rolled out across the Service. DBS procedure reviewed following legislation and being consulted upon. DBS checks carried out for the majority of employees. White Ribbon 16 days of action due to commence in November. Values report being drafted.</p> <p><u>16 January 2024 SMB:</u> DBS procedure published - DBS checks being undertaken by new provider from 5 January. Majority of employees have a current DBS. Vison and Values Mandate presented to December BTB, PID being worked on the February BTB. Stress Procedure presented to January BTB</p> <p><u>20 February 2024 SMB:</u> Vision and values worked on by the Senior Management Team (SMT) and at the leadership day. Project Initiation Document due to be presented to March Business Transformation Board. South Wales FRS culture review analysis being undertaken to see if there are any gaps not picked up in our previous reports relating to the findings of the Exploring our Culture paper and HMICFRS Values and Culture report. Outcomes to be presented to 27 February SMT meeting. Attendance at NFCC Fire Standards workshops and working with the NFCC to look at what we have in place for the Leading our People Fire Standard. Review of outstanding actions relating to findings of HMICFRS values and culture report undertaken. Culture Survey being worked on</p> |
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Appendix 3 - Corporate Risk Register – as at 18 June 2024

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| | | | | | | | | <p>ahead of 8 April 2024 launch.</p> <p>23 April 2024 SMB Promise, Values and Behaviours approved and launched. Communications across the service to embed, for example review of procedures which contain the previous vision and values - Code of Conduct being reviewed and presented to June Fire Authority. Incorporation into recruitment, induction, process etc.</p> <p>SWFRS SWOT analysis undertaken. Speak up campaign being reviewed, including asking employees their views via the EDI station visits. Case management forms part of SMB from April, including update on Speak up / whistleblowing.</p> <p>Culture Survey opened 8 April, regular updates on completion rate, communications continue including sending a posted reminder to all employees with a teabag to encourage them to have a brew and complete it.</p> <p>21 May 2024 SMB HMICFRS EDI actions continue to embed EDI, due to be demonstrated at HMICFRS visit w/c 20 May</p> <p>People and Culture Officer starts on 17 June Code of Conduct amended to reflect Promise, Values and Behaviours, for presentation to June Fire Authority</p> <p>EDI forms part of Appraisals and EDI data forms part of stations plans from 1 April New provider sourced for the Whistleblowing and Speak up line, implemented and communicated out to employees</p> <p>72.5% completion rate for Culture Survey, meetings planned with Leadership Group to cascade the information and decide next steps</p> <p>People Awards will take place on 19 July,</p> |
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Appendix 3 - Corporate Risk Register – as at 18 June 2024

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| | | | | | | | | | <p>nomination process reviewed, amended and cascaded to reflect Promise, Values and Behaviours</p> <p>18 June 2024 SMB Terms of Reference for Strategic Culture Group and staff networks drafted, meetings planned for July and September Attendance at NFCC Culture conference in July booked NFCC Equality Impact Assessment training booked for June / July Culture Survey – Leadership team briefed and team results shared, results and actions will feed in to the Culture Board.</p> |
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Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 17 July 2024

Report title: 2022/23 Statement of Assurance

Lead Member: Chairman, Overview and Audit Committee

Report sponsor: Graham Britten, Director of Legal and Governance

Author and contact: Stuart Gowanlock, Corporate Planning Manager

Action: Decision

Recommendations: That the 2022/23 Statement of Assurance be approved for signature by the Chairman of the Overview and Audit Committee and the Chief Fire Officer.

Executive summary:

The Fire and Rescue National Framework, published by the Department of Communities and Local Government in July 2012, introduced the requirement for fire and rescue authorities in England to produce a 'Statement of Assurance' on an annual basis. The most recent National Framework was published in May 2018. This maintained the requirement that every authority must publish an annual statement of assurance of compliance with the Framework. The statements are intended to provide assurance to the public on financial, governance and operational matters and demonstrate that National Framework requirements, including those relating to community risk management planning, are being met.

The precise form, content and methodology used to prepare the statements are left to local discretion. Where authorities "have already set out relevant information that is clear, accessible, and user-friendly within existing documents" they may draw on these in preparing their statements of assurance.

Buckinghamshire and Milton Keynes Fire Authority already produces and publishes a variety of separate statements relating to financial, governance and operational performance such as the Annual Governance Statement and Annual Financial Statements. The draft 2022/23 Statement of Assurance, shown at Appendix 1, draws on, summarises, and includes relevant extracts from these more detailed assessments. Changes from the 2021/22 Statement of Assurance are shown as shaded text. Officers are of the view that collectively the assurance processes underpinning the range of existing statements covers the scope and nature of what is required for the statement of assurance.

The statement of assurance should be signed off by an elected member of the Authority who is able to take responsibility for its contents. It is for authorities to decide who the most appropriate person is.

In respect of Buckinghamshire and Milton Keynes Fire Authority, officers are of the view that the most appropriate person is the Chairman of the Overview and Audit Committee.

Financial implications:

There are no direct financial implications arising from the production of the annual Statement of Assurance.

Risk management:

Financial, governance and operational assurance processes form part of the Authority's risk management framework. The effectiveness of these contributes to the identification, reduction, and mitigation of corporate and operational risks.

Legal implications:

Section 21 of the Fire and Rescue Services Act 2004 (FRSA 2004) provides the statutory authority for the National Framework and requires Fire and Rescue Authorities to 'have regard' to it in carrying out their functions. However, Section 22 of the Act gives the Secretary of State the power to intervene if he considers that "...a fire and rescue authority is failing, or is likely to fail, to act in accordance with the Framework prepared under section 21".

Also "The Secretary of State must report to Parliament on—

- (a) the extent to which fire and rescue authorities are acting in accordance with the Framework prepared under section 21;
- (b) any steps taken by him for the purpose of securing that fire and rescue authorities act in accordance with the Framework".

The Statement of Assurance will be used as a source of information by the Secretary of State when preparing biennial reports required by section 25 of the Fire & Rescue Services Act 2004.

Privacy and security implications:

Following consultation with the Data Protection Officer, no privacy or security issues have been identified or associated with the Statement of Assurance.

Duty to collaborate:

The statement is designed to provide assurance in relation to the operations of the Authority and details any relevant collaborative work with the other Thames Valley Fire Authorities and other agencies.

Health and safety implications:

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

Environmental implications:

None identified.

Equality, diversity, and inclusion implications:

There are no direct equality, diversity or inclusion implications arising from this report.

Consultation and communication:

The requirement for Statements of Assurance arose from the revisions to the National Framework published by the Department for Communities and Local Government in July 2012. An evaluation of the implications of the new Framework was reported to the Fire Authority at its 27 September 2012 meeting.

The 2021/22 Statement of Assurance was approved on 19 July 2023:

<https://bucksfire.gov.uk/wp-content/uploads/2024/03/5overview-and-audit-committee-19-july-2023-item-12-2021-22-statement-of-assurance.pdf>

Background papers:

| Appendix | Title | Protective Marking |
|----------|---|--------------------|
| 1 | Draft 2022/23 Statement of Assurance | None |
| 2 | CLG Guidance on Statements of Assurance | None |

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Approval date: 17 July 2024



DRAFT

**Statement of Assurance
2022/2023**

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1. INTRODUCTION

1.1 Although Fire and Rescue Services in England are run by local government bodies, the Fire and Rescue Services Act 2004 requires that local fire and rescue authorities must have regard to direction from central government. This direction, issued in the form of a 'National Framework', sets out the Government's strategic aims and requirements for Fire and Rescue Services in England. The most recent National Framework was published in May 2018. This maintained the requirement, introduced by Government in 2012, that every authority must publish an annual statement of assurance of compliance with the Framework that:

“should outline the way in which the authority and its fire and rescue service has had regard – in the period covered by the document – to this National Framework, the Integrated Risk Management Plan and to any strategic plan... prepared by the authority for that period. The authority must also provide assurance to their community and to government on financial, governance and operational matters”.

1.2 The purpose of this document is to provide the public and Government with assurance that Buckinghamshire and Milton Keynes Fire Authority ('The Authority') met the requirements set out in the National Framework and accompanying Government guidance¹ during the 2022/23 financial year.

1.3 Where relevant, the document draws on, consolidates and summarises the findings of existing assurance processes relating to financial, governance and operational matters that were set up to meet other statutory and regulatory requirements of fire and rescue authorities.

1.4 During the year, His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) carried out a revisit to review progress in relation to 'causes of concern' raised following its second formal inspection of the Service in 2021. An overview of the findings from this revisit is set out at section 6 of this document.

¹ 'Guidance on Statements of assurance for fire and rescue authorities in England, Department for Communities and Local Government, May 2013.

2. FINANCIAL ASSURANCE

- 2.1 It is a statutory requirement under the Accounts and Audit Regulations 2015 for authorities to publish the financial results of their activities for the year. This 'Statement of Accounts', shows the annual costs of providing the Service and is determined by a Code of Practice which aims to give a "true and fair" view of the financial position and transactions of the authority.
- 2.2 The financial statements are required to be audited under the Local Audit and Accountability Act 2014. The auditors are responsible for:
- forming an opinion on the financial statements;
 - reviewing the Annual Governance Statement;
 - forming a conclusion on the arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources.

At the time the Statement of Assurance for the 2021/22 financial year was published, there had been a delay to the audit of the annual financial statements for the year ending 31 March 2022. The audited accounts were subsequently adopted by the Authority at the 8 November 2023 Overview and Audit Committee:

[9overview-and-audit-committee-8-november-2023-item-12-adoption-of-the-audited-statement-of-accounts.pdf \(bucksfire.gov.uk\)](https://bucksfire.gov.uk/9overview-and-audit-committee-8-november-2023-item-12-adoption-of-the-audited-statement-of-accounts.pdf)

The delay to the audit of the 2021/22 Statement of Accounts had a consequential impact on the preparation of the 2022/23 Statement of Accounts and these were subsequently published on 20 March 2024:

https://bucksfire.gov.uk/wp-content/uploads/2024/03/Statement_of_Accounts_2022-23-unaudited.pdf

- 2.3 Regarding the requirement to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness in its use of resources – known as the 'value for money conclusion' - the auditors, will assess this within their Audit Planning Report. Previous reports did not identify any risks of significant weaknesses against the three reporting criteria of financial sustainability, governance and improving economy, efficiency and effectiveness, and there is no reason to expect this will be any different when the value for money opinion is provided for the

2022/23 financial year. The most recently published Audit Results Report for the Year ended 31 March 2022 is available here:

[6overview-and-audit-committee-8-november-2023-item-10-audit-results-report.pdf](https://www.bucksfire.gov.uk/6overview-and-audit-committee-8-november-2023-item-10-audit-results-report.pdf)
([bucksfire.gov.uk](https://www.bucksfire.gov.uk))

The detailed results and conclusions from the appointed external auditors audit process would normally be expected to be published within the Audit Results Report for the year ended 31 March 2023. However, due to the systemic local government audit issues mentioned earlier, it is unlikely that report will contain much, if any, further detail.

2.4 The Authority is required to report annually on progress against the financial strategy 2020/21-2024/25 which was approved by the Fire Authority in December 2020. The financial strategy is the link between the organisation's long-term service objectives and its financial capacity. It also helps organisations to consider the feasibility of different options in terms of affordability and financial sustainability. An update on progress made during the second year of the strategy was provided to the Fire Authority Executive Committee in July 2023 (see Agenda Item 11 at pages 47-74): [Public Pack\)Agenda Document for BMKFA Executive Committee, 12/07/2023 10:00](https://www.bucksfire.gov.uk/Public%20Pack%20Agenda%20Document%20for%20BMKFA%20Executive%20Committee,%2012/07/2023%2010:00)
([bucksfire.gov.uk](https://www.bucksfire.gov.uk))

2.5 The Authority's internal auditors also produce an annual report on the internal control environment. In this report, the Chief Internal Auditor stated that:

*"The results of the audit work undertaken, when combined with our experience and knowledge of previous years' performance and the current climate in which the Authority is operating, form the basis for the overall opinion. As such, in my opinion the system of internal control provides **reasonable assurance** regarding the effective, efficient and economic exercise of the Authority's functions. The work undertaken during 2022/23 has identified areas that require further improvements to ensure that the internal control framework remains adequate and effective. Findings raised from the 2022/23 internal audit reviews have not identified any material weaknesses. Overall, the Fire Authority has continued to demonstrate a robust and effective internal control and risk management environment."*

The full internal audit report containing the Internal Auditors opinion can be viewed via the following hyperlink:

[2overview-and-audit-committee-19-july-2023-item-9-2022-23-annual-audit-report.pdf](https://bucksfire.gov.uk/2overview-and-audit-committee-19-july-2023-item-9-2022-23-annual-audit-report.pdf)
(bucksfire.gov.uk)

- 2.6 In addition to the statutory requirement to publish annual financial results, the government is committed to increasing transparency across local authorities. One of the steps in this process is for the publication online of information relating to spend items in excess of £500. In accordance with that requirement, the Authority is publishing monthly schedules of payments, which can be found on our website:

<https://bucksfire.gov.uk/authority/financial-transparency/>

3. GOVERNANCE

- 3.1 The Authority is responsible for maintaining a sound system of internal control that supports the achievement of its policies, aims and objectives whilst safeguarding public money and organisational assets. There is also a requirement to ensure that the Authority is administered prudently and economically and that resources are used efficiently and effectively and that sound arrangements are in place for the identification and management of risks.
- 3.2 The Authority's approach to governance is based on the seven core principles of good governance set out in the CIPFA / SOLACE Framework for Delivering Good Governance in Local Government (2016):

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

Principle B Ensuring openness and comprehensive stakeholder engagement.

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

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

Principle E Developing the entity’s capacity, including the capability of its leadership and the individuals within it.

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

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

3.3 There is already a statutory requirement for the Authority to produce an annual governance statement to demonstrate and evidence that it operates an effective system of internal control. The internal control systems underlying the annual governance statement are assessed by Internal Audit to ensure that they are adequate and effective so that:

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

3.4 Details of the Authority’s governance arrangements and the internal auditor’s findings in relation to these (summarised at paragraph 2.5 above) can be found in the Annual Governance Statement 2022/2023: [6overview-and-audit-committee-19-july-2023-item-13-annual-governance-statement-2022-23.pdf](https://www.bucksfire.gov.uk/6overview-and-audit-committee-19-july-2023-item-13-annual-governance-statement-2022-23.pdf) (bucksfire.gov.uk)

3.5 The Annual Governance Statement also confirms that the Authority met its statutory obligation to review its Pay Policy Statement annually. This sets out its policies on the remuneration of its chief officers, the remuneration of its lowest paid employees and the relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers. This was approved and adopted by the Authority at its February 2023 meeting, and can be viewed via the following link to the Authority’s website: [6fire-authority-meeting-15-february-2023-item-10-pay-policy-principles-2023-24.pdf](https://www.bucksfire.gov.uk/6fire-authority-meeting-15-february-2023-item-10-pay-policy-principles-2023-24.pdf) (bucksfire.gov.uk)

4. OPERATIONAL ASSURANCE

- 4.1 The Government requires Fire Authorities to provide assurance that they meet the requirements arising out of the legislative and policy framework for fire and rescue services. In particular:
- Details of specific events that raise issues of operational competence or delivery such as advice received under health and safety or other legislation together with assurance that these matters have been considered and, where appropriate, acted on;
 - That integrated risk management plans are consulted on and that during the consultations appropriate information was provided to enable active and informed participation;
 - Details of any agreements and / or mutual aid arrangements with other relevant bodies such as neighbouring fire and rescue services.

Statutory Duties and Operational Effectiveness

Fire and rescue authorities operate within in a clearly defined legislative and policy framework comprising of:

- The Fire and Rescue Services Act 2004;
- The Civil Contingencies Act 2004;
- The Regulatory Reform (Fire Safety) Order 2005;
- The Fire and Rescue Services (Emergencies) (England) Order 2007;
- The Localism Act 2011;
- The Fire and Rescue National Framework for England;
- Policing and Crime Act 2017.

- 4.2 The Service has well established internal structures and processes for assuring its operational effectiveness. A dedicated Operational Assurance Team (OAT) monitor and review performance at operational incidents as well as coordinate any information that is shared through National Operational Learning (NOL), Joint Organisational Learning (JOL) through the Joint Emergency Services Interoperability Principles (JESIP) as well as relevant findings from HMICFRS inspections. An Operational Assurance Improvement Plan (OAIP) captures and prioritises any recommended changes to processes, practices and procedures. The work of the OAT and

the OAIP is overseen by the Operational Assurance Group comprised of Service officers. Progress in relation to the OAIP is reviewed by the Performance Monitoring and Strategic Management Boards and also reported to the Fire Authority's Overview and Audit Committee on a regular basis (for example, see agenda item 12 at pages 105 -126):

[\(Public Pack\)Agenda Document for BMKFA Overview & Audit Committee, 09/11/2022 10:00 \(bucksfire.gov.uk\)](#)

4.3 The Operational Assurance Team have arrangements in place to ensure close alignment of process with partner Services in the Thames Valley. The Service are also represented in the South East regional operational learning group.

4.4 Independent, external assurance of the Service's operational performance is now provided by HMICFRS as part of their inspection framework.

5. INTEGRATED RISK MANAGEMENT PLANNING

5.1 The National Framework requires that Fire Authorities must produce an Integrated Risk Management Plan (IRMP) that identifies and assesses all foreseeable fire and rescue related risks that could affect its community, including those of a cross-border, multi-authority and / or national nature. The plan must have regard to the community risk registers produced by Local Resilience Forums and any other local risk analyses as appropriate. Each fire and rescue authority integrated IRMP must:

- be easily accessible and publicly available; and,
- reflect effective consultation throughout its development and at all review stages with the community, its workforce and representative bodies, and partners.

5.2 The Government guidance relating to statements of assurance requires that they should include details of IRMP consultations and, in particular, that appropriate information was provided to enable active and informed participation.

5.3 Buckinghamshire and Milton Keynes Fire Authority regularly reviews the fire and rescue related risks to the community it serves and updates its

IRMP in response to any material changes to the nature and level of the risks identified and assessed.

- 5.4 The Authority's current IRMP, known as the '2020-25 Public Safety Plan', is published on its website. This sets out the Authority's strategy for achieving its vision of making *'Buckinghamshire and Milton Keynes the safest areas in England in which to live, work and travel'*:

[Public Safety Plan - Buckinghamshire Fire & Rescue Service \(bucksfire.gov.uk\)](https://www.bucksfire.gov.uk)

- 5.5 The plan was approved by Buckinghamshire & Milton Keynes Fire Authority on 12 February 2020 following the outcomes of a public consultation which took place between 23 September and 18 November 2019. The consultation process embraced key stakeholder groups including the general public, Authority staff, neighbouring fire and rescue services and a range of other organisations with a potential interest in the development of the plan. It also included the use of qualitative consultation methods via focus groups which encourage participants to reflect in depth about their priorities for the Authority while both receiving and questioning background information and discussing service delivery issues in detail. Full details of the consultation process and its outcomes are available on the Authority's website (see pages 107-226 of linked document):

[Public Pack\)Agenda Document for BMKFA Executive Committee, 05/02/2020 10:00 \(bucksfire.gov.uk\)](https://www.bucksfire.gov.uk)

In December 2022, the Service's plan for developing the next IRMP, which will cover the period 2025-30, was presented to the Fire Authority. The new plan will be aligned to the Fire Standard for Community Risk Management Planning (CRMP) and henceforth be known by that name (see page 57 – 70 of the linked document):

[Public Pack\)Agenda Document for Buckinghamshire & Milton Keynes Fire Authority, 07/12/2022 11:00 \(bucksfire.gov.uk\)](https://www.bucksfire.gov.uk)

The Authority has also established a framework of key performance indicators and measures to help it assess progress towards the achievement of its vision. Performance in relation to these is reported to the Authority's Overview and Audit Committee on a regular basis whose role is to scrutinise any areas of under-performance together with proposals for corrective action. A report on performance outcomes for

2022/23 against the framework of indicators and measures can be viewed on the Authority's website by following this link:

[14overview-and-audit-committee-8-november-2023-item-16-performance-monitoring-report.pdf \(bucksfire.gov.uk\)](https://www.bucksfire.gov.uk/14overview-and-audit-committee-8-november-2023-item-16-performance-monitoring-report.pdf)

6. HMICFRS INSPECTION

The HMICFRS published the findings from its second formal inspection of the Service on 15 December 2021:

<https://hmicfrs.justiceinspectorates.gov.uk/publications/frs-assessment-2021-22-buckinghamshire/>

The report found that the Service required improvement across the three inspection 'pillars' of effectiveness, efficiency and people. It also identified 22 areas for improvement, and two causes of concern, accompanied by eight recommendations. Additionally, the previous cause of concern arising from the first round of inspections in relation to the Service's financial position at the time, was closed. Also, the work undertaken to address key areas from the last report against the context of a global pandemic and only a short period since the first inspection was acknowledged:

'Since there was a gap of only 18 months between our first and latest inspections and much of the intervening time was overshadowed by the COVID-19 pandemic, it isn't surprising that many of our findings are like those in our first report. The Service has worked hard to address the cause of concern from our 2019 inspection about whether its resources can meet its unique model of operational response. It has increased its capacity to meet its public safety plan and so this cause of concern has been closed.'

Further details of the two new causes of concern, relating to prevention activity and equality diversity and inclusion, together with the Service's response to these and approach to addressing them, are available to view via the following link (see pages 103 – 160):

[16/02/2022 11:00 \(bucksfire.gov.uk\)](https://www.bucksfire.gov.uk/16/02/2022-11:00)

In January 2023, the HMICFRS revisited the Service to ascertain progress made in relation to the Causes of Concern. The findings from this together with an internal review of progress with the Service's HMICFRS Action Plan to address the full findings from the 2021 inspection can be viewed here:

[9overview-and-audit-committee-meeting-15-march-2023-item-12-hmicfrs-bfrs-improvement-plan-update-march-2023.pdf \(bucksfire.gov.uk\)](https://www.bucksfire.gov.uk/9overview-and-audit-committee-meeting-15-march-2023-item-12-hmicfrs-bfrs-improvement-plan-update-march-2023.pdf)

7. MUTUAL AID, REGIONAL AND NATIONAL RESILIENCE

7.1 The National Framework requires fire authorities to consider risks of a cross-border, multi-authority and / or national nature and to make appropriate provision for dealing with these. The Authority does this via:

- Its active participation in the Thames Valley Local Resilience Forum which comprises other Category 1 and 2 responders. The forum maintains a community risk register which the Authority considers as part of its integrated risk management planning process;
- Review of the National Risk Register, National Risk Assessment and National Resilience Planning Assumptions which are maintained by the UK Government Cabinet Office to inform planning in relation to major civil emergencies of a national or regional nature;
- Mutual aid agreements with neighbouring fire and rescue authorities which enable authorities to provide each other with additional resources to deal with emergencies that cannot be dealt with by an authority acting alone. Buckinghamshire and Milton Keynes Fire Authority maintains formal mutual aid agreements with all six of its neighbours – Bedfordshire, Hertfordshire, London, Royal Berkshire, Oxfordshire and Northamptonshire.
- Working with South Central Ambulance Service (SCAS) to enhance the level of both medical and trauma care training delivered to operational frontline Firefighters, provide co-responding services to medical emergencies and allowing SCAS crews to use Authority premises.

7.2 The Authority maintains specialist assets to enable it to deal with major civil emergencies such as major transport incidents, natural disasters and terrorist incidents. The capabilities, which include Urban Search and Rescue (USAR), Detection, Identification & Monitoring Officers (DIM) and water rescue are available on a local, regional and national scale, and have been deployed in support of other Authorities during major emergencies. The Authority's USAR and water rescue assets are included on the National Asset Register. The National Asset DIM capability is overseen by Oxfordshire FRS, with support from specially trained officers from across the three Thames Valley FRS's.

- 7.3 The Authority has an established a team of National Inter-Agency Liaison Officers (NILO) who are trained and qualified officers who can advise and support FRS Incident Commanders, police, medical, military and other government agencies on the FRS's operational capacity and capability to reduce risk and safety resolve incidents at which an FRS attendance may be required.
- 7.4 The Authority collaborates with all the other South-East Fire and Rescue Services to jointly fund the post of a NILO who is seconded to the Counter Terrorism Policing South East (CTPSE). This post acts as a focal point for advice to and from the unit.
- 7.5 As a Category 1 responder as defined in the Civil Contingencies Act 2004, business continuity is a high priority for Buckinghamshire and Milton Keynes Fire Authority. This includes a number of employees who work on flexible resilience contracts. These contracts ensure the Authority maintains availability of local, regional and national assets during the full range of foreseeable business continuity events.
- 7.6 The Service maintains a team of trained USAR technicians at Aylesbury fire station who provide a local, regional and national response to major incidents in line with the USAR Concept of Operations. The team also provides a specialist rescue capability for major transport infrastructure and working at height risks.
- 7.7 The Service continues to work with other emergency services and responders thorough the adoption of the 'Joint Emergency Services Interoperability Principles (JESIP). This is supported and delivered by nominated Strategic, Training, and Joint Organisational Learning (JOL) leads.
- 7.8 Operational multi-agency exercises are routinely undertaken, utilising the fire-ground facilities at the Fire Service College, with learning captured during a facilitated debrief. The learning and best practice from exercises or incidents are considered for sharing with Joint Organisational Learning, to ensure that lessons identified are available to other responder agencies. All operational commanders, along with colleagues from the other Thames Valley fire & rescue services, Thames Valley Police and South-Central Ambulance, complete training that allows the opportunity to demonstrate and apply knowledge of

JESIP, utilising the Joint Decision Model (JDM) to help bring together available operational information, objectives, and decisions.

- 7.9 JESIP training activity is submitted every quarter to the JESIP team, via a self-assessment which provides assurance that JESIP is being embedded across the Service.
- 7.10 Since 3 April 2017 section 2 of the Policing and Crime Act 2017 has placed a duty on the Authority to keep opportunities for collaboration with the police and ambulance services under review. Where two or more of the emergency services consider it would be in the interests of their efficiency or effectiveness to collaborate, there then arises a duty to enter into a collaboration agreement.
- 7.11 A Thames Valley Emergency Services Collaboration Executive Board was established in 2017, comprised of the Chief Fire Officers from the Thames Valley Fire and Rescue Authorities, the Thames Valley Police Deputy Chief Constable and the Chief Executive from South Central Ambulance Service, as the forum to determine collaboration opportunities and enter collaboration agreements.
- 7.12 Following the move to a jointly funded Thames Valley Fire Control Service (TVFCS) in April 2015, the Authority has continued its commitment to collaboration through a Thames Valley Operational Alignment Programme. Amongst other things, the programme sets out to align:
 - 7.12.1 Operational Alignment - Equipment, procedures, training and practice across the region. The key benefits are improved interoperability, enhanced resilience, a reduction in cross border mobilisations and maximised Best Value through collaborative contract negotiation and joint procurement. An example is the jointly procured red fleet replacement, which has standardised the frontline fire appliances and equipment across the Thames Valley. More recently all three services have procured the same Breathing Apparatus set as part of a 10-year contract, these joint initiatives have and will continue to generate significant savings for the public purse;

7.12.2 Fire Investigation – in partnership with Thames Valley Police and the three Thames Valley fire services, we have developed and established a singular Tier 2 Fire Investigation team. This will ensure that all four agencies will comply with the new International Organisation for Standardisation (ISO)/ International Electrotechnical Commission (IEC) 17020 - Accreditation for Fire Investigation standard, in a cost effective and efficient manner.

7.12.3 The months of July (16 - 19) and August (9 - 15) 2022, brought record high temperatures and dry weather. This included the 19 July 2022 when the UK recorded its highest ever temperature of 40.3°C (104.5°F). These conditions resulted in severe wildfire outbreaks across parts of England. Major incidents were declared by fifteen fire and rescue services including BFRS and neighbouring Services in London, Bedfordshire and Hertfordshire, as a result of the devastating outbreak of fires. Thames Valley Fire Control Service (TVFCS) received, and BFRS attended, an unprecedented number of calls, including many fires in the open / wildfires.

An initial evaluation of the Service's response to these incidents can be viewed here (see pages 73 – 80):

[\(Public Pack\)Agenda Document for Buckinghamshire & Milton Keynes Fire Authority, 12/10/2022 11:00 \(bucksfire.gov.uk\)](#)

A further report containing more detailed learning from the incidents together with recommendations for enhancing the Service's capabilities for dealing with extreme incidents of this type was presented to the Fire Authority in June 2023:

<https://bucksfire.gov.uk/wp-content/uploads/2024/03/5fire-authority-annual-meeting-14-june-2023-item-18.pdf>

8. DECLARATION

Buckinghamshire and Milton Keynes Fire Authority are satisfied that the financial, governance and operational assurance arrangements in place across the organisation meet the requirements set out in the National Framework.

Louise Harrison
Chief Fire Officer and Chief Executive

Councillor
Chairman, Overview and Audit Committee



Department for
Communities and
Local Government

Guidance on statements of assurance for fire and rescue authorities in England

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Introduction

1. The Government is committed to unburdening local government; eliminating top-down bureaucracy and increasing local flexibility. For fire and rescue authorities, this ethos is demonstrated by the revised Fire and Rescue National Framework for England (the Framework), and in the provisions of the Localism Act 2011, which helps to let them run their services as they see fit.
2. This freedom and flexibility is accompanied by the need for accountability and transparency. Providing an excellent service is only the starting point - communities expect to know how their services are being provided.
3. It is against this background that the Framework sets out a requirement for fire and rescue authorities to publish Statements of Assurance. It says:

‘Fire and rescue authorities must provide annual assurance on financial, governance and operational matters and show how they have had due regard to the expectations set out in their integrated risk management plan and the requirements included in the Framework. To provide assurance, fire and rescue authorities must publish an annual statement of assurance’.

4. This document provides guidance on the content of statements of assurance, and indicates how existing assessment processes might feed into the statements in order to avoid duplication.
5. Guidance should not be taken to constitute legal advice. We have indicated what should be included in the statements of assurance, while allowing the flexibility to tailor the format and presentation. It is for fire and rescue authorities to decide how to best present the information with their communities in mind.

Context

6. Fire and rescue authorities are accountable for their performance and should be open to evaluation by the communities they serve. Information on their performance should be accessible, robust, fit-for-purpose and accurately report on effectiveness and value for money.
7. One of the principal aims of the statement of assurance is to provide an accessible way in which communities, Government, local authorities and other partners may make a valid assessment of their local fire and rescue authority’s performance.
8. Where fire and rescue authorities have already set out relevant information that is clear, accessible, and user-friendly within existing documents, they may wish to include extracts, or links to these documents within their statement of assurance.

9. The statement of assurance will be used as a source of information on which to base the Secretary of State's biennial report under section 25 of the *Fire and Rescue Act 2004*.¹

Assessment and ownership

10. Authorities should assess their performance across a number of key areas. The areas to be included for assessment, and the methodology used, are a matter for local determination, although authorities will need to satisfy themselves that the measures and methods used are appropriate and fit for purpose.
11. The statement of assurance should be signed off by an elected member of the relevant authority who is able to take responsibility for its contents. It is up to the individual authority to ensure that this is done by an appropriate person (or persons) who can approve it on behalf of the authority.
12. Statements of assurance should be published annually by fire and rescue authorities. It is for fire and rescue authorities to decide when they should publish depending on individual reporting arrangements. The first statements are due for publication in the financial year 2013-14, and annually thereafter.

Content of the annual statement of assurance

Financial

13. Fire and rescue authorities are responsible for ensuring that their business is conducted in accordance with the law and proper standards, and that public money is properly accounted for and used economically, efficiently and effectively.²
14. It is a statutory requirement under the *Accounts and Audit (England) Regulations 2011*³ for authorities to publish the financial results of their activities for the year. This 'Statement of Accounts', shows the annual costs of providing the service and is determined by a Code of Practice⁴ which aims to give a "true and fair" view of the financial position and transactions of the authority. The authority is responsible for approval of the statement of accounts prior to publication.
15. The statement of assurance may briefly set out what assessment procedures are in place with regard to the authorities' statements of account.

Governance

16. The *Accounts and Audit (England) Regulations 2011* also requires authorities to prepare an annual governance statement in support of this statement of accounts. This governance statement is an expression of the measures taken by the authority to ensure appropriate business practice, high standards of conduct and sound governance. The statement of assurance may set out what work authorities

¹ <http://www.legislation.gov.uk/ukpga/2004/21/section/25>

² Section 3 of the Local Government Act 1999

³ <http://www.legislation.gov.uk/uksi/2011/817/contents/made>

⁴ *Code of Practice on Local Authority Accounting* - Chartered Institute of Public Finance and Accountancy

have undertaken to review the effectiveness of their governance framework, including the system of internal control.

17. Greater transparency is a key element of the Framework and is at the heart of the Government's commitment to enable the public to hold their authorities to account for the way they spend public money. In preparing the statement of assurance, fire and rescue authorities may consider the principles of transparency set out in the *Code of Recommended Practice for Local Authorities on Data Transparency*.⁵

Operational

18. Fire and rescue authorities function within a clearly defined statutory and policy framework. The key documents setting this out are:
- the [Fire and Rescue Services Act 2004](#)⁶
 - the [Civil Contingencies Act 2004](#)⁷
 - the [Regulatory Reform \(Fire Safety\) Order 2005](#)⁸
 - the [Fire and Rescue Services \(Emergencies\) \(England\) Order 2007](#)⁹
 - the [Localism Act 2011](#)¹⁰
 - the [Fire and Rescue National Framework for England](#)¹¹
19. Fire and rescue authorities already consult on, and publish, their integrated risk management plans, which set out local strategies including cross-border, multi-authority and national arrangements where appropriate. The statement of assurance should include details of consultation on these plans, and confirm that appropriate information was provided to enable active and informed participation.
20. The statement of assurance may also indicate where fire and rescue authorities have entered into agreements and/or mutual aid arrangements with other relevant bodies. The level of detail included will be a matter for each individual fire and rescue authority and may be linked to their integrated risk management plan.
21. It is not the aim of statements of assurance to set out the operational procedures for fire and rescue authorities. However, statements of assurance are the appropriate vehicle with regard to specific events which raise issues of operational competence or delivery. For example, when advice is received under health and safety or other legislation, it is appropriate for the fire and rescue authority to use the statement of assurance as a means to inform their communities that these matters have been considered and, where appropriate, acted on.

Framework requirements

⁵ <https://www.gov.uk/government/publications/local-authority-data-transparency-code>

⁶ <http://www.legislation.gov.uk/ukpga/2004/21/contents>

⁷ <http://www.legislation.gov.uk/ukpga/2004/36/contents>

⁸ <http://www.legislation.gov.uk/uksi/2005/1541/contents/made>

⁹ <http://www.legislation.gov.uk/uksi/2007/735/contents/made>

¹⁰ <http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>

¹¹ <https://www.gov.uk/government/publications/fire-and-rescue-national-framework-for-england>

22. Where fire and rescue authorities are satisfied that the systems they have in place, and any specific measures they have undertaken, fulfil their Framework requirements, this should be clearly stated in the statement of assurance. Accordingly, where appropriate, authorities may consider making a simple declaration that the Framework requirements have been met.

Future improvements

23. Fire and rescue authorities may wish to include a section in their statements of assurance on any potential improvements they have identified across their accounting, governance or operational responsibilities to communities, particularly where plans are underway.

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Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 17 July 2024

Report title: Annual Governance Statement 2023/24

Lead Member: Chairman of the Overview and Audit Committee

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

Author and contact: Graham Britten, gbritten@bucksfire.gov.uk

Action: Decision

Recommendations:

1. That the Annual Governance Statement 2023/24 be approved.
 2. That the progress on the implementation of recommendations of the previous Annual Governance Statement (Appendix A to the Annual Governance Statement) be noted.
 3. That the priorities for 2024/25 (Appendix B to the Annual Governance Statement) be agreed.
-

Executive summary:

The purpose of this report is to present the 2023/24 Annual Governance Statement (appended as Appendices to the report) for approval. It contains the progress on the implementation of the recommendations of the 2022/23 Annual Governance Statement and recommendations for 2024/2025.

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

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

The Annual Governance Statement 2023/24 has been formatted to reflect those principles.

The seven principles are:

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

Principle B - Ensuring openness and comprehensive stakeholder engagement.

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

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

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

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

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

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

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

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

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

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

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

Health and safety implications:

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

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

Equality, diversity, and inclusion implications:

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

Consultation and communication:

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

The draft Annual Governance Statement was considered at the Performance Monitoring Board on 6 June 2024 for recommendation to the Chief Fire Officer at the Strategic Management Board on 18 June 2024.

Progress monitoring

Progress against the areas identified to be addressed in 2024/25 will be monitored through the internal boards and the Overview and Audit Committee.

Background papers:

CIPFA / SOLACE ‘Delivering Good Governance in Local Government - Guidance Notes for English Authorities’ 2016 Edition, is a copyrighted document .

| | | |
|----|--|------|
| 1 | Annual Governance Statement 2023/24. | None |
| 1A | Progress against recommendations from the Annual Governance Statement 2022/23. | None |
| 1B | Recommendations for Priorities for 2024/25. | None |

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Annual Governance Statement 2023/24

Scope of Responsibility

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

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

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

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

The Purpose of the Governance Framework

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievements of the strategic objectives of the Authority, to evaluate the likelihood of those risks being realised and the impact should they occur, and to manage them efficiently, effectively, and economically. The system of internal control has been in place for the year ended 31 March 2024 and up to the date of approval of the Statement of Accounts.

The Governance Framework

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

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

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

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

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

Member Officer Protocol. [The Protocol on Member and Officer Relations](#) sets out the respective obligations and expectations and contains a reminder of the Authority's core values. This was subject to a quadrennial review and approved by the Overview and Audit Committee at its meeting on 19 July 2023 for recommendation to the Authority whereupon it was adopted on 11 October 2023. In advance of Member review the Protocol had been reviewed by employee representatives via the Joint Consultation Forum at its meeting on 1 March 2023 who were in agreement that the Protocol should include reference to the five ethical principles from the **Core Code of Ethics for Fire and Rescue Services – England** <https://www.local.gov.uk/publications/core-code-ethics-fire-and-rescue-services-england>

Leadership. There are nominated [Lead Members](#) for various work streams and departments. This collaborative approach ensures levels of trust, confidence and awareness improve for the benefit of the public and the service. Following a recommendation from the Overview and Audit Committee meeting on 10 November 2021, at the Authority meeting on 8 December 2021 it was agreed that the Lead Member for Finance and Assets, Information Security and IT be appointed as Lead Member for Finance and Assets, Information

Security, ICT and Climate Change. To bring more focus on the issue of climate change, at its Annual Meeting on 15 June 2022, the Authority resolved that the Vice Chairman be appointed to lead on Climate Change (and to lead on the Authority's response to any matters relating to HMICFRS).

Ethical Framework. The Authority's objective is to embed Equality, Diversity and Inclusion (EDI) into everything it does, both internally and externally. An EDI strategic review has taken place, which includes the governance of EDI; splitting the work into an EDI Strategic Oversight Group and staff networks. The Authority has an EDI [Policy Statement](#) https://bucksfire.gov.uk/documents/2020/03/vision_and_values_policy.pdf. An annual update on the EDI objectives is provided to the Fire Authority, this includes headlines and workforce data. A People and Culture Officer is due to join the service in June 2024, there focus will be embedding EDI throughout the service and embedding the actions from the EDI plan.

Code of Conduct for Staff. The Code provides individuals with an understanding of the standards expected when performing duties as an employee and guides behaviour, placing an obligation on all employees to take responsibility for their own conduct. An updated Code of Conduct was approved by the Executive Committee at its meeting on 22 March 2023, following scrutiny by the Overview and Audit Committee at its meeting on 15 March 2023. The updated Code of Conduct incorporates the Core Code of Ethics for Fire and Rescue Services – England.

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

Whistleblowing Policy. A procedure is in place and published for employees or contractors to raise concerns about a dangerous or illegal activity or wrongdoing that they are aware of through their work. An updated Whistleblowing procedure was approved by the Overview and Audit Committee at its meeting on 15 March 2023. At its meeting on 22 March 2023, the Executive Committee received a presentation on the steps the Service is taking to highlight the importance of staff raising concerns. The Service had a Whistleblowing and Speak up promotional campaign and a communications plan ensured that all employees were aware of the service, and the availability of an external contact service, the reliability and responsiveness of which was tested during the year..

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

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

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

The Monitoring Officer acted as the Authority's Data Protection Officer (DPO) for 2022/23 following an interim designation by the Chief Fire Officer/Chief Executive while, in accordance with the Authority's succession plan opportunities for options were explored for GDPR compliance including via an appointed external DPO on a service contract or a single DPO to act for more than one authority. This led to an agreement being entered into with Buckinghamshire Council in January 2023 for one of its staff to undertake key aspects of the DPO role.

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

Core Principle B: Ensuring openness and comprehensive stakeholder engagement.

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

A fundamental element of the [Public Safety Plan 2020-25](#) is ensuring service delivery is linked closely to local requirements. The strategies for Prevention and Response cover the Milton Keynes and Buckinghamshire Area, supported by service delivery area objectives reflecting local data led issues and actions. Operational staff work closely with their protection and prevention colleagues leading to a more joined up approach.

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

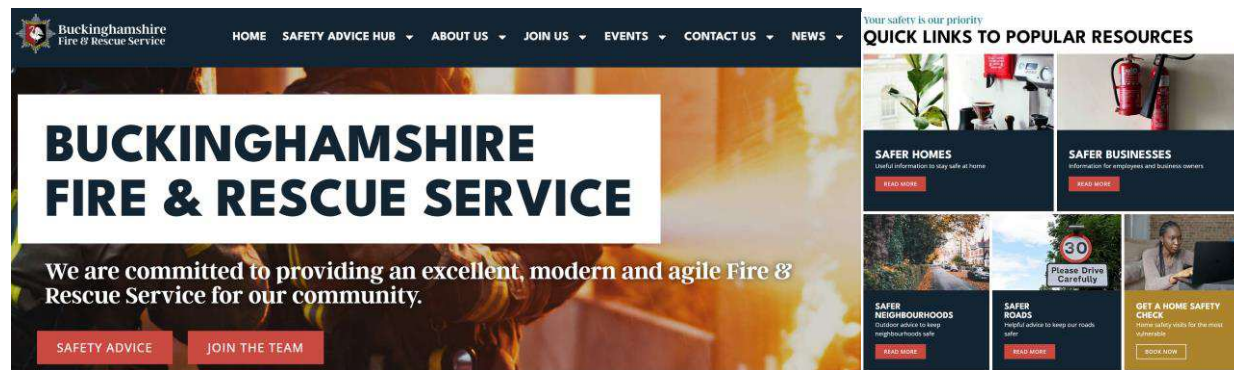
During 2022/23 the Service commenced planning for its next Public Safety Plan, which in line with new guidance, will be known as the Community Risk Management Plan and cover the period 2025-2030. An outline timeline for the planning process was presented to the Fire Authority on 7 December 2022 - followed by a further update to the Executive Committee on 8 February 2024 -

<https://bucksfire.gov.uk/wp-content/uploads/2024/03/5executive-committee-meeting-8-february-2024-item-8-2025-2030-service-planning-update.pdf><https://bucksfire.gov.uk/wp-content/uploads/2024/03/5executive-committee-meeting-8-february-2024-item-8-2025-2030-service-planning-update.pdf>

Public engagement. In 23/24 we continued our investment in a temporary resource, Digital Marketing Apprentice to increase the Communication and Marketing team, this has allowed the team to increase our presence both on social media and through community events. The messages delivered range from 'Why BFRS is a great place to work', with an increased focus on On-Call through to 'How to keep safe'.



A new version of our website went live earlier in 2024, this allows us more control of the message we share with our community.



As stated above (Core Principle A) our complaints [procedure](#) is published explaining how complaints from the public will be handled and investigated. To encourage communications with us, our privacy statement aims to reassure people how we will protect their privacy. It explains their rights to personal information we hold about them and how to access this. We have a [Subject Access Request](#) form on our website which people may choose to use to contact us although they may contact us in other ways if they prefer.

Prevention performance continues to be fundamentally viewed in terms of the number of Home Fire Safety Visits (HFSV) delivered, with this being the only Prevention performance measure reported annually to the Home Office. As recognised in the [Prevention - Fire Standards](#)

[Board](#) Prevention Fire Standard, the primary purpose of a HFSV is to mitigate and reduce fire risk combined with trying to change some of the riskier behaviours that may affect or increase a person's exposure to increased fire risk.

In line with the terminology change agreed nationally following the role out of the Person-Centred Visit in 2021/22, the HFSV is the name given to both face to face (formerly called cross threshold) and virtual or telephone visits reported to the Home Office.

The categorisation of the HFSV reported to the Home Office in the annual return was amended this year for the first time since 2020 when virtual visits were included. This amendment has removed the division of the visits completed into Fire and Wellness and Safe and Well, where the later included the provision of health advice.

Not including post incident advice with or without the provision of risk reduction equipment (e.g. smoke detection), the increase in the delivery of HFSV seen in 2022/23 (93 percent increase from 2021/2022) was sustained and exceeded in 2023/24 with the number of HFSVs completed showing a year-on-year increase of 120 percent as 5,024 face to face HFSVs visits were completed.

Engagement with partners. The Authority fulfils its role as a statutory community safety partner through participation in the Safer MK Partnership, and the Safer Buckinghamshire Board where it is the deputy sponsor for Priority One (Neighbourhood Crime) of the Safer Buckinghamshire Strategy 2023-2026, raising awareness of fraud, scams and hate crime during its work in the community.

In January 2023, Fire and Rescue services became a statutory specified authority under the Serious Violence Duty and as such the Service is a member of the Violence Reduction Partnership Strategic and Operational Boards and the Buckinghamshire Serious Violence Task Force. Aligned to this is membership of the Thames Valley Violence Against Women and Girls (VAWG) Strategic Board. Within this structure is participation in sub and working groups as appropriate.

The Service also has representation on the MK Together Management Board, Milton Keynes Exploitation Network, Buckinghamshire Anti-slavery & Exploitation Network and Buckinghamshire Safeguarding Adults Board.

The Chairman, together with a lead Member was the Authority's representative on the Thames Valley Fire Control Service Joint Committee. Through the Chairman, the Authority participates in the Thames Valley Collaboration Steering Group through which the

Authority complies with its obligations under Section 2 of the Policing and Crime Act 2017 to keep collaboration opportunities with the Thames Valley Police and South Central Ambulance Service under review and, where it would be in the interests of efficiency or effectiveness of at least two of the services, for those services to give effect to such collaboration.

An Equality, Diversity and Inclusion (EDI) Specialist from Buckinghamshire Council supported the development of the HMICFRS action plan and carried out an independent strategic review of our EDI approach with recommendations. They have worked closely with the Service for example supporting the development of the Strategic Group and staff networks, EDI plan, EDI training review and recommendations.

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

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

- A Strategic Management Board, which focuses on strategic direction, strategic risk and acts as a gateway to the Authority;
- A Performance Monitoring Board which focuses on in year performance against agreed performance indicators and budgets;
- A Business Transformation Board which focuses on strategic change and project portfolio management; and
- An Improvement Board which was established after the Service was moved into the supportive 'engage' process by HMICFRS in November 2023.

The Joint Consultation Forum. The objective of the Joint Consultation Forum is to continuously improve organisational performance by developing greater trust and increased job satisfaction through employee engagement. Its current membership comprises a senior management representative, the Head of HR, the HR Advisory and Development Manager and up to two representatives from each of the recognised Representative Bodies namely Fire Brigades Union, Fire Officers' Association, and UNISON. The Forum facilitates joint

examination and discussion of issues of mutual interest with the aim of seeking acceptable solutions to matters through a genuine exchange of views and information. Consultation does not remove the right of managers to manage – they must still make the final decision – but it does require that the views of employees will be sought and considered before significant decisions are taken. The Forum membership has the ability to extend its membership to representatives of other recognised Representative Bodies, such as the Fire and Rescue Services Association, and non-affiliated staff representatives, should the request for employee representation arise.

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

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

- develop the Service to address the strategic context and priorities set out in our 2020-25 Public Safety Plan;
- address the 'Areas for Improvement' identified by Her (as it was then) Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) in their report on the findings from their first inspection of the Service undertaken in 2019. Recommendations and Areas for Improvement from the 2021 HMICFRS inspection of the Service are addressed in an HMICFRS Action Plan which was presented to the Overview and Audit Committee in March 2021

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

A year 3 progress review and year 4 updated was approved by the Authority on the 14 June 2023. Previous versions of the 2020-25 Corporate Plan can be viewed here: [Corporate Plan - Buckinghamshire Fire & Rescue Service \(bucksfire.gov.uk\)](#)

Environment and Climate Action Plan. The Authority approved the adoption of its [Environment and Climate Action Plan](#) at its meeting on 8 December 2021. At the same meeting, the Authority also approved that the Lead Member for Finance and Assets, Information Security and IT be appointed as Lead Member for Finance and Assets, Information Security, IT and Climate Change. An update detailing progress against the Plan was presented to the Executive Committee on 12 July 2023 -

https://buckinghamshire.moderngov.co.uk/documents/s62816/ITEM%2010_Environment%20and%20Climate%20Action%20Plan%20Update%20inc%20Cover%20Paper.pdf

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

- The Thames Valley Fire Control Service (hosted by Royal Berkshire Fire and Rescue Service) is overseen by a joint committee with Member representatives appointed by the three participating fire and rescue services, supported by Officers from the three services.
- The Authority is represented at Officer and Member level on the three levels of decision-making bodies of the [Thames Valley Emergency Services Collaboration Programme](#).
- Firefighters Pension Administration is overseen by the Local Pension Board. The administrators (West Yorkshire Pension Fund) attend the Board on a quarterly basis to discuss emerging risks, issues and performance against key performance indicators. An annual report from the Local Pension Board is received by the Overview & Audit Committee and pensions issues are flagged in the corporate risk register which is regularly reviewed by the Overview & Audit Committee.

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

Performance Management Framework. During 2022-23 a suite of 75 performance measures was introduced split across the four quadrants of: 1. Public Impact 2. Response 3. Great Place to Work 4. Public Value

This Key Performance Measures report has been designed as a rounded and balanced picture of how the Service is performing at a local level. The report is presented to Members quarterly and includes a summary of key measures to be highlighted, a performance measures overview (each quadrant on a single page) and performance measures details showing actual performance alongside relevant trend information and (where needed) commentary.

The report contains many types of targets and methods of comparison. Some targets are aspirational, some are there to ensure minimum standards are met and others are there to identify exceptions within trends, allowing us to identify possible needs for change/reaction.

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

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

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

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

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

Board for potential inclusion in the Corporate Risk Register. Corporate risks are also scrutinised by the Authority's Overview and Audit Committee at each of its meetings - <https://bucksfire.gov.uk/documents/2023/03/overview-and-audit-committee-meeting-15-march-2023-item-9-corporate-risk-management.pdf/>

Safeguarding. The Service works in partnership with local safeguarding, anti-slavery and exploitation, and domestic violence networks to support and improve the lives of the people at risk in its community. Assurance of safeguarding processes is provided through participation in the annual audits conducted under Section 11 of the Children Act 2004, Working Together to Safeguard Children 2023, and contributing to the formation of the safeguarding boards annual reports required under the Care Act 2014. Further assurance is provided through participation in the National Fire Chiefs Council (NFCC) safeguarding groups and alignment with national guidance on safeguarding processes developed by the NFCC and through demonstrating compliance with the Safeguarding Fire Standard.

Where safeguarding needs are identified, referrals are made in line with the safeguarding procedure. As further exemplified in Working Together to Safeguard Children 2023, escalation is used where an agency response is not in line with service expectations. Complex cases and those at heightened risk of fire through self-neglect or threat of arson are supported through interaction between relevant agencies and the provision of an enhanced level of safety equipment.

The Service participates in single agency and thematic Safeguarding Adult Reviews and Domestic Homicide Reviews as required by the Care Act 2014 and the Domestic Violence, Crime and Victims Act 2004, ensuring multi-agency learning is acted upon.

In line with the Prevent Duty introduced under the Counter-Terrorism and Security Act 2015, the Service also has representation on the Prevent Board working in partnership to safeguard people and the community from the threat of terrorism and radicalisation, disseminating the information shared in the annual Counter Terrorism Local Profile to appropriate staff groups.

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

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

There are two ordinary committees of the Authority: the Executive Committee, and the Overview and Audit Committee.

Member Development. New members appointed onto the Authority are given an induction welcome pack, which includes information on the Service's vision and values, Members' Allowances, Code of Conduct, Protocol on Member and Officer Relations, principal officers and a general overview of the Service. There were three Members (all from Milton Keynes City Council) appointed onto the Authority during 23/24. Members have a training and development programme with regular workshops and a dedicated Member Support Officer. In March 2024 Members of the Executive Committee participated in a workshop to help shape the draft Community Risk Management Plan for 2025-2030. Members also took part in a Finance Workshop, IOSH training and an Urban Search and Rescue (USAR) Demonstration at Westcott. The Chairman attended the Local Government Association (LGA) Annual Fire Conference.

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

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

All employees are required to have an annual appraisal, where their commitment to their behaviours linked to the Authority's values is an essential element. Quality assurance of appraisal returns is undertaken to identify themes, and to assist with training requirements. The Authority achieved a 93% return rate for appraisal completions during 2023/24 – the highest seen since its introduction. There is continuous refinement and improvement of the appraisal process, targeting areas within the discussion that align to Authority priorities – for example – Equality, Diversity and Inclusion. Regular training sessions for managers are held and focus delivering effective appraisals and the quality of the appraisal discussion.

Performance Management forms part of the Authority's Leadership and Management Development Programme and will support and assist with the development of existing and newly recruited or promoted managers.

The NFCC launched their Supervisory Leadership Development Programme and offered 40 free licenses to each Fire & Rescue Service to enrol staff onto it. The Authority received a positive response to the request for expression of interests and utilised all 40 licenses on the programme as a trial. This was open to all staff (operational and support) who are aspiring or existing supervisory leaders.

The Authority launched its new 360 Feedback process. This was trialled within the senior management team and then rolled out to all middle/dept managers. 360 feedback is an important development tool for leaders. It can highlight areas of strength which may not be recognised as well as areas for development. The 360 Feedback has been created with bespoke competencies mapped to the NFCC Leadership Framework which sets out and defines the leadership behaviours needed at every level in the Fire and Rescue Service. Following feedback and evaluation of the trial, the 360 Feedback tool will be built into staff development processes.

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

The Staff Development Project and the processes being reviewed as part of aligning to the National Fire Chief Council's (NFCC's) Core Learning Pathway and the Leadership Framework. The Leadership and Management Development Pathway being developed by the

Authority provides clarity to staff looking to develop themselves either within their existing role, or with aspiration for the next level role. The pathway will improve the effectiveness and efficiency of existing managers by identifying the acquisition training required for their role, as well as provide development opportunities and pathways for future managers and leaders of the organisation. Following the launch of the Authority's Promise, Values and Behaviours, the design of a supporting Behavioural and Leadership Framework providing clear and consistent guidance on expected behaviours of staff. The framework will become the foundation of key HR and OD processes including recruitment, assessment and selection, appraisals and role profiles.

Succession planning. Regular systematic and rigorous Strategic Workforce and Succession Planning processes are in place, which incorporate current Public Safety Plan requirements and horizon scanning of likely future external and internal challenges. Outcomes from these processes are subsequently translated into timely interventions to ensure the Authority continues to meet workforce capacity requirements and build capability. In addition, it provides opportunity to refresh the workforce through the identification of people; internal and where required external to fill identified key positions. This year the scope, design and delivery of a Strategic Manager Assessment and Development Centre which inclusive of all staff and provided a development pathway for operational and non-operational employees.

Health and wellbeing. Support is in place for employees and has regularly been communicated to employees through various means such as the intranet, wellbeing roadshows and the Health and Safety department update programme. The Employee Relations team support managers with attendance management cases, to ensure employees have tailored support whilst off work and can return to work in a timely manner. External support is available via our Employee Assistance Programme.

In addition to the internal and external physical and mental wellbeing support networks available to staff, there are 37 trained Mental Health First Aiders across the organisation. In Spring 2022, refresher training was undertaken for First Aiders, Champions were trained to First Aider level and the establishment strengthened with new representatives added to the mental wellbeing support network. Trauma Support was relaunched during 2021 and the trauma support debriefing team undertake sessions as requested.

In May 2022, we introduced a Hybrid working guidance providing a flexible approach to an employee's work location.

Training Needs Analysis. Workforce and succession planning processes are in place with outcomes from these processes being translated into timely interventions to ensure the Authority continues to meet workforce capacity requirements and build capability. The Service's Training Needs Analysis (TNA) collates staff training requirements annually and is monitored quarterly by the Training Strategy Group (TSG). The TNA is translated into prioritised learning programmes, submitted by department managers, approved by the TSG and scrutinised to ensure alignment with business priorities, business continuity succession plans and approved budgets.

Across all staff groups, we spent £229k on training in 2023/24. We offer a broad portfolio of training and development, some generic and some tailored to individuals via their appraisal and development plans which factors into our TNA. Highlights from the 2023/24 training investment include:

- The launch of 360 Feedback – piloted with the senior management team and then rolled out to all middle managers
- Media training undertaken for Senior, Middle and Supervisory Managers
- £12,000 for Institute Fire Engineer Exams – the most exam attended to date
- Windsor Leadership and Executive Leadership Programme for Senior Management
- Women in Fire Service – attendance at national event
- Enrolment of 40 staff onto the NFCC's Supervisory Manager Leadership Programme
- Level 7 Senior Leader Apprenticeship Enrolment at Cranfield (succession planning) – funded via Santander Levy Transfer
- Equality, Diversity and Inclusion training across the organisation
- x17 incident command courses at various levels

The Authority continues to demonstrate efficiencies through the use of apprenticeships and utilising the government levy with a levy spend of £96,626 in 2023/24. Due to being effective in fully utilising the levy, the organisation is now benefiting from co-funding arrangements with the department of education, where they fund 95% of the apprenticeship cost and the organisation funds the other 5%. This offers training in various departments for new starters such as Firefighters and IT alongside upskilling existing staff in marketing, fire safety and leadership.

The Organisational Development department have secured a transfer of levy arrangement with Santander – one of Milton Keynes largest employers - to fund the enrolment of two members of staff on to the Cranfield Level 7 apprenticeship and Santander have transfer the full levy cost to fund this.

Fire Service College. The current contract the Service has with the Fire Service College (the FSC), commenced in June 2022 and will continue until the end of May 2025. A feature of the arrangement is that our instructors can take the lead and run the FSC instructor courses. This ensures that our instructors are kept up to date with best practice within other fire and rescue services, rather than becoming insular.

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

Refresher training and assessment for Incident Command Levels 2 and 3 is also covered in the arrangement with the FSC. This covers Station and Group Commanders. Furthermore, we have piloted Incident Command refresher training and assessment with L 4 commanders at the FSC.

The facilities at the FSC enable large scale exercises to be run which helps us to test operational capability under the Joint Emergency Services Interoperability Principles (JESIP), further developing relationships with partner agencies, such as South Central Ambulance Service and Thames Valley Police, who are keen to remain involved in these exercises.

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

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

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

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

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

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

Business Continuity Management. This is to ensure the Authority is resilient to interruptions which have the potential to adversely affect the delivery of core functions. The Authority's business continuity management processes include specific guidance for the management of pandemics.

Governance Structure. All material business decisions are taken by the Chief Fire Officer in consultation with the Strategic Management Board (SMB) or by Members. Papers submitted for decision-making purposes must be referred to the Chief Finance Officer and the Monitoring Officer for financial and legal scrutiny prior to any decision being taken. The Chief Finance Officer, supported by the Chief Fire Officer leads the promotion and delivery of good financial management so that public money is safeguarded and used

appropriately, economically, efficiently and effectively. This is achieved by a finance team that is suitably resourced, professionally qualified and suitably experienced. The Chief Finance Officer meets regularly with the Lead Member responsible for Finance, as well as with the leaders of the political groups represented on the Authority.

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

Pay Policy Statement. This is reviewed at least annually (most recently approved by the Authority in February 2024) setting out its policies on the remuneration of its chief officers, the remuneration of its lowest paid employees and the relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers.

Gender Pay Gap Reporting. This is reported annually to the Authority's Executive Committee (most recently approved in March 2024). The Authority publishes six pieces of prescribed data about the pay and bonuses of male and female workers within the organisation. The report is published annually on the <https://gender-pay-gap.service.gov.uk> website as well as the Authority's website. An ethnicity pay gap was also included within this report.

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

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

Internal Audit. Buckinghamshire Council Internal Audit service provides the internal audit function for the Authority and reports to the Overview & Audit Committee. Regulation 5 of the Accounts and Audit Regulations 2015 states that the Authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. Proper internal audit practices are defined in the Public Sector Internal Audit Standards 2017. The Chief Internal Auditor provides this opinion in an annual report on the System of Internal Control, which is used to inform the Authority's Annual Governance Statement.

External Audit. Up to 31 March 2024 Ernst & Young LLP provided the external audit services to the Authority and reported regularly to the Overview and Audit Committee. From 1 April 2024 this function will be provided by KPMG. External auditors provide an opinion on whether the financial statements of the Authority give a true and fair view of the financial position and of the income and expenditure

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

His Majesty's Inspectorate of Constabulary and Fire & Rescue Services.

HMICFR published the Buckinghamshire Fire and Rescue Service Round 3/2023-2025 report on 19 October 2023. The report can be found here: [BFRS 2023-2025 - HMICFRS](#). This report sets out HMICFRS inspection findings for Buckinghamshire Fire and Rescue Service following the inspection during May and June 2023.

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

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

The Fire and Rescue Service National Framework requires fire and rescue services to give due regard to HMICFRS reports and recommendations. Where recommendations are made, the receiving Service is required to prepare, update and regularly publish an action plan detailing how such recommendations are actioned ([Fire and Rescue National Framework](#), section 7.5).

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

On the 31 March 2023, HMICFRS released a report focused on the values and culture of all 44 fire and rescue services (FRSs) in England and draws on the evidence collected through the inspections of FRSs since 2018. The Service has fed this into their Culture Action plan.

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

Review of effectiveness

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

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

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

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

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

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

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

“The results of the audit work undertaken, when combined with our experience and knowledge of previous years’ performance and the current climate in which the Authority is operating, form the basis for the overall opinion. As such, the Chief Internal Auditor can provide Reasonable Assurance that Buckinghamshire & Milton Keynes Fire Authority has in place an adequate and effective framework of governance, risk management and internal control for the period 1 April 2023 to 31 March 2024.”

Source: Internal Audit Service Annual Report of the Chief Internal Auditor 2023/24 July 2024

Conclusion

As a result of the extensive work undertaken by the management team in reviewing internal structures and reviewing roles and responsibilities as well as the introduction of new systems and processes, working together with the Chief Internal Auditor, the External Auditors and our own Overview and Audit Committee, a plan (see Appendix B) is in place to address the weaknesses identified and ensure continuous improvement of the governance system is in place. Appendix A sets out progress against the delivery of the 22/23 Annual Governance Statement action plan.

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

Signed Date

Cllr Simon Rouse - Chairman of the Buckinghamshire & Milton Keynes Fire Authority

Signed Date

Louise Harrison– Chief Executive and Chief Fire Officer of the Buckinghamshire & Milton Keynes Fire Authority

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Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Overview and Audit Committee, 17 July 2024

Report title: Treasury Management Performance 2023/24

Lead Member: Councillor Matthew Walsh

Report sponsor: Mark Hemming, Director of Finance & Assets

Author and contact: Marcus Hussey mhussey@bucksfire.gov.uk

Action: Noting.

Recommendations: That the Treasury Management Performance 2023/24 report be noted.

Executive summary:

This report is being presented to provide the treasury investment position for financial year 2023/24. It is best practice to review on a regular basis how Treasury Management activity is performing.

The accrued interest earned for financial year 2023/24 is £0.983m, which is £0.633m higher than the budget for the same period (£0.350m).

Financial implications:

The budget set for 2023/24 relating to interest earned on balances invested is £0.350m. Performance against the budget is included within Appendix A.

Risk management:

Making investments in the Authority's own name means that the Authority bears the risk of any counterparty failure. This risk is managed in accordance with the strategy and with advice from external treasury management advisors.

The Director of Finance and Assets will act in accordance with the Authority's policy statement; Treasury Management Practices and CIPFA's Standard of Professional Practice on Treasury Management.

The risk of counterparty failure is monitored on the directorate level risk register within Finance and Assets.

There are no direct staffing implications.

Legal implications:

The Authority is required by section 15(1) of the Local Government Act 2003 to have regard to the Department for Communities and Local Government Guidance on Local Government Investments; and by regulation 24 of the Local Authorities (Finance and Accounting) (England) Regulations 2003 [SI 3146] to have regard to any prevailing CIPFA Treasury Management Code of Practice.

Privacy and security implications:

No direct impact.

Duty to collaborate:

No direct impact.

Health and safety implications:

No direct impact.

Environmental implications:

No direct impact.

Equality, diversity, and inclusion implications:

No direct impact.

Consultation and communication:

No direct impact.

Background papers:

Treasury Management Policy Statement, Treasury Management Strategy Statement and the Annual Investment Strategy

<https://bucksfire.gov.uk/documents/2022/06/treasury-management-strategy.pdf/>

| Appendix | Title | Protective Marking |
|----------|---|--------------------|
| 1 | Treasury Management Performance 2023/24 | |



Buckinghamshire
FIRE & RESCUE SERVICE
we save lives

Treasury Management Performance

2023/24

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Treasury Management Performance 2023/24

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

Background

Up until 31 March 2013, the Authority's cash balances were managed by Buckinghamshire Council under a Service Level Agreement (SLA). From 2013/14 the Authority began investing in its own name. Since the treasury management function has been managed in-house, the Authority has achieved investment returns of £2.626m between 2013/14 and 2023/24.

This report highlights the performance to date of the in-house treasury management function for financial year 2023/24.

UK Economic Update

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

- Consumer Prices Index (CPI) inflation fell from 3.9% in November 2023 to 3.2% in March 2024. There are clear signs of easing in domestic inflationary pressures. The inflation rate as of 05 June 2024 was 2.3%.
- The Bank of England's Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target, and in a way that helps to sustain growth and employment. The MPC sprung no surprises in their March meeting, leaving interest rates at 5.25% for the fifth time in a row and, despite no MPC members no longer voting to raise interest rates, it retained its relatively hawkish guidance.
- Since the Bank of England's MPC's two unprecedented emergency interest rate cuts in March 2020 to a base rate record low of 0.10%. MPC has voted to increase the interest base rate at 14 out of the last 19 MPC meetings, with no increase at the last five MPC meetings.
- Markets have sought an end to central banks' on-going phase of keeping restrictive monetary policy in place on at least one occasion during 2023/24 but to date only the Swiss National Bank has cut rates and that was at the end of March 2024.
- Link think the Bank of England won't feel comfortable cutting interest rates until later in 2024.

Security of Investments

The primary investment priority as set out in the Treasury Management Policy Statement is the security of capital. The Authority applies the creditworthiness service provided by Link. This determines whether or not a counterparty is suitable to invest with and if so, the maximum duration an investment could be placed with them.

In the Annual Investment Strategy (AIS), the Authority resolved that the balances invested with any single counterparty at any point in time would be 30% of the total investment portfolio to a maximum of £5m (with the exception of Lloyds Bank, who as our banking provider that have a limit of £7.5m, of which at least £2.5m must be instant access).

During 2023/24, Link made no relevant changes to the counterparty listing. The amount invested with each counterparty on the approved lending list as at 31 March 2024 is detailed below:

| Counterparty | Credit Ratings | | | | | | Amount (£000) |
|-------------------------------------|----------------|------------|-----------|------------|-----------|------------|---------------|
| | Fitch | | Moody's | | S&P | | |
| | Long Term | Short Term | Long Term | Short Term | Long Term | Short Term | |
| Close Brothers Group Plc | A | F2 | Aaa | P-1 | - | - | 3,000 |
| Goldman Sachs International | A | F1 | A | P-1 | A | A-1 | 3,000 |
| Lloyds Bank Corporate Markets Plc | A | F1 | A | P-1 | A | A-1 | 2,000 |
| Standard Chartered Bank (SD) | A | F1 | A | P-1 | A | A-1 | 2,000 |
| Newcastle BS | - | - | - | - | - | - | 2,000 |
| Leeds BS | A | F1 | A | P-2 | - | - | 1,000 |
| CCLA Fund Managers Ltd (MMF) | - | - | - | - | AAA | A-1 | 1,643 |
| Aberdeen Asset Management PLC (MMF) | AAA | F1 | Aaa | P-1 | AAA | A-1 | 1,078 |
| Lloyds Bank plc (CA) | A | F1 | A | P-1 | A | A-1 | 1,890 |
| Total | | | | | | | 17,611 |

BS = Building Society, MMF = Money Market Fund, CA = Current Account, SD Sustainable Deposit. Credit rating as at 28 March 2024.

During this period, no counterparty limits were breached.

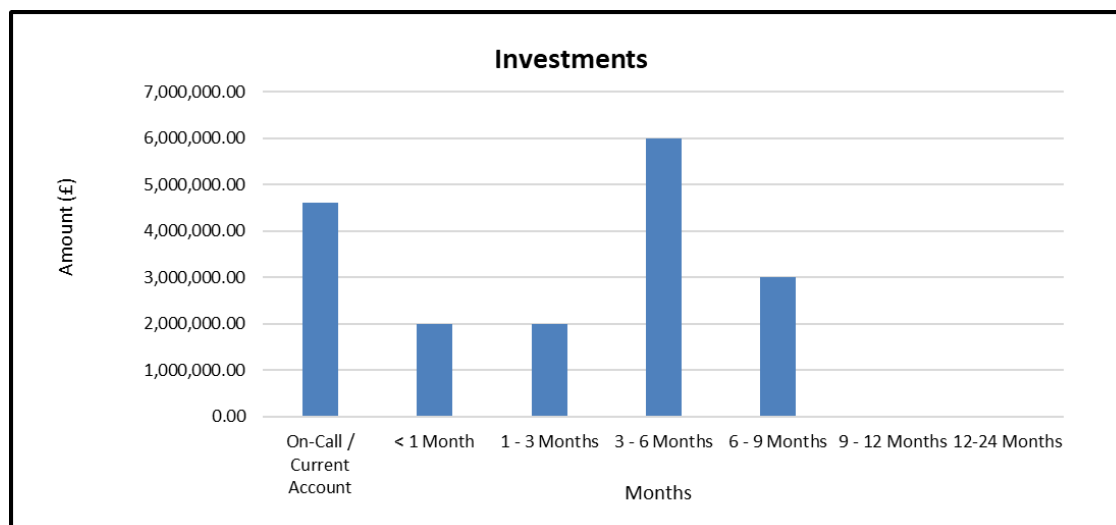
Credit Rating

Link monitor and supply the Authority with a weekly credit rating list for all counterparties listed in the Treasury Management Strategy (TMS). In addition, Link supply the Authority with any changes to the counterparties credit ratings as and when they occur. The credit ratings are not set by Link, these are obtained through rating agencies (Fitch, Moody's and Standard & Poor's (S&P)). The Authority will not place sole reliance on the credit ratings supplied by Link. The Authority use market data and market information, information on government support for banks and the credit ratings of that supporting government.

There are some counterparties that are not rated by the rating agencies. These are mainly Building Societies. The Authority will review the counterparties market data, market information (asset portfolio) before committing to an investment deal with the counterparty. The credit rating definitions for each rating agency can be found in the TMS.

Liquidity of Investments

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



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

There are seven fixed term investments currently maturing in the <1 month, 1-3 months and 3-6 month periods. At least one deal matures each month for the next eight months and were all originally invested for different terms and will be re-invested for varying terms upon maturity to maintain liquidity and meet future commitments. The Authority continues to hold Money Market Funds (MMF) to help improve the liquidity of the Authority's balances. By investing collectively, the Authority benefits from liquidity contributed by others and from the knowledge they are all unlikely to need to call on that money at the same time.

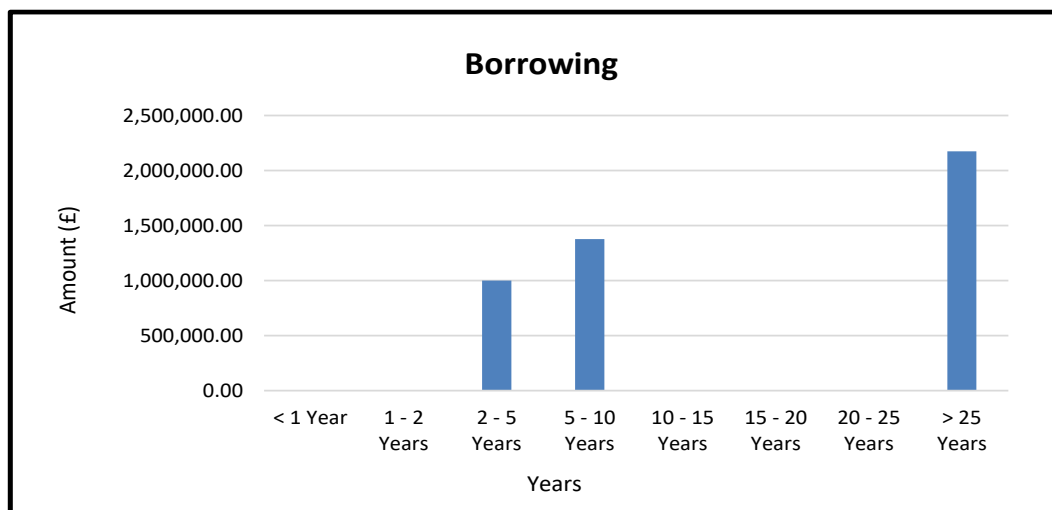
Borrowing

As part of managing the liquidity of investments, it is important to have regard to the maturity structure of outstanding borrowing. No borrowing was required during 2023/24 and this is in line with the TMS.

The total borrowing outstanding as at 31 March 2024 is £4.550m. During May 2023, Officers took the decision to make an early repayment of an external borrowing for £0.627m that was due to be repaid in 2056. This was at a discount of £0.045m. A £1.000m loan matured in March 2024 and was repaid on time. These repayments did not directly affect the revenue budget, as they simply reflect the use of cash accumulated by setting aside the appropriate minimum revenue provision (MRP) to settle the outstanding liability.

Historically with low levels of interest rates, the level of penalties on the early repayment of borrowing has made it difficult to restructure debt effectively. However, with the significant rise in interest rates, this makes it more viable to look at restructuring debt, which resulted in early repayment of a loan of £0.627m.

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



Investment Yield

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

Performance Against Budget

The interest receivables budget was reviewed as part of the Medium-Term Financial Plan (MTFP) 2023/24 process, the outcome was to increase the budget to £0.350m. This was approved by the Fire Authority in February 2023. The reason for the increasing the level of investment income is due to the continuous increase to the interest base rate. The budget increase was still set on a prudent approach, with any additional investment income above the set budget being greatly received.

The interest base rate currently stands at 5.25%. The Authority has seen the benefits in the interest base rate increase both in short term investment deals and MMFs interest returns.

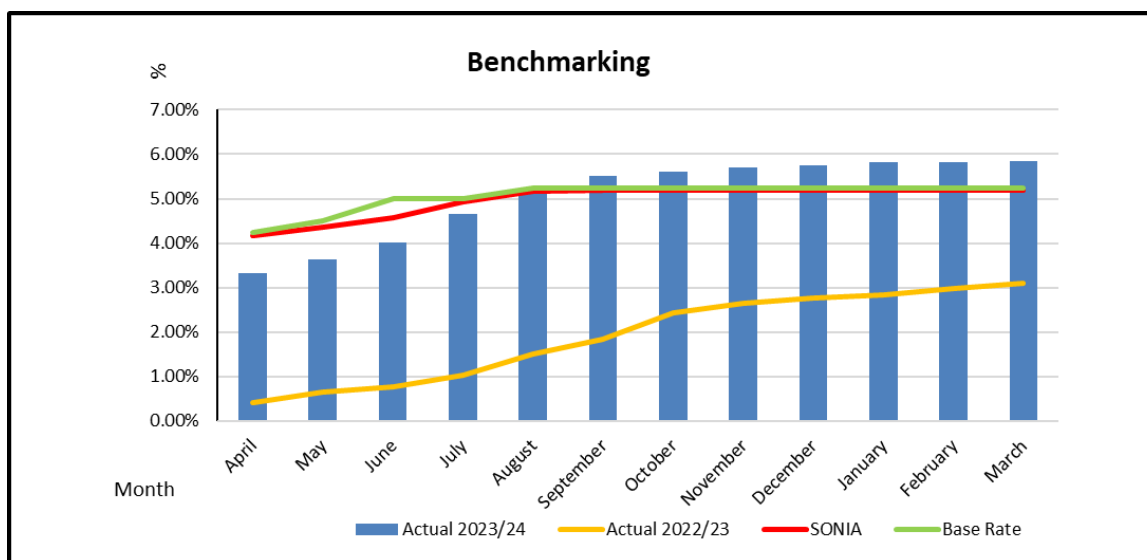
The accrued interest earned for financial year 2023/24 is £0.983m, against the planned budget of £0.350m for the same period. This is an over achievement of £0.633m.

Based on the prospects of interest rates (page 7), as part of the MTFP 2024/25 process, the investment income budget has increased to £0.700m to reflect the interest rates projections. This considers the funds available to invest and ensuring the Authority can maintain sufficient liquidity to cover the day-to-day expenditure. This budget increase was approved by the Fire Authority in February 2024.

Performance Against the Benchmark

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

- SONIA (Sterling Overnight Index Averages) – SONIA is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors.
- Base Rate – This is the interest base rate set by the Bank of England’s MPC.
- The weighted average rate (%) (Actual) is compared to the two benchmark figures in the following chart for each month.



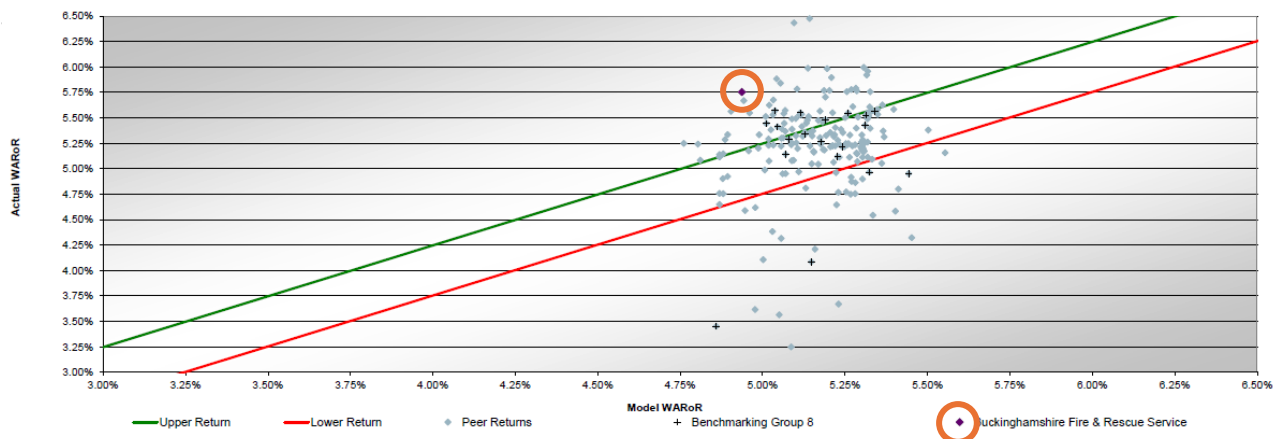
The Authority between April and August 2023 underperformed against the interest base rate and SONIA rates. However, with no movement in the interest base rate since August 2023, the Authority has been able to overperform against the interest base rate and SONIA rates from September to March 2024.

This was due to several investment deals being placed prior to or early into the MPC increasing the interest base rate on 14 consecutive occasions between December 2021 and August 2023. With those investment deals maturing, the Authority has been able to re-invest these funds achieving a higher interest rate return.

As you can also see from the chart, the Authority has been able to achieve a higher average rate of interest compared to the same period in 2022/23.

It must also be noted that the level of funds available for investment have reduced because of the reduction in reserves and repayment of loans in the last five years. The Authority will continue to re-invest any surplus funds with varying maturity dates to ensure the Authority makes a return on investments and has sufficient liquidity to cover the day-to-day expenditure.

Treasury management performance is also benchmarked by Link against their other local authority clients, and a smaller group of twenty peers that are most similar to us in terms of investments. The following chart shows investment returns versus the model returns against our peers and the benchmarking group:



The chart shows the model weighted average rate of return (WARoR) versus the actual WARoR. In essence, this adjusts the expected returns for maturity and credit risk so that performance can be more accurately assessed.

The best performing organisations are those where the actual WARoR is significantly higher than the model WARoR i.e. closer to the top-left of the chart is better. On the above chart, Buckinghamshire Fire and Rescue are one of the best performing organisations. This is because we accurately forecast our cashflow, allowing investments to be placed for a range of maturities without taking on any undue credit risk.

Impact of Inflation

Over time inflation will (all other things being equal) reduce the value of investments and borrowing. The table below illustrates the impact of inflation on these values over the past five years:

| | Value as at 31 March 2024 (£000) | Equivalent Value in 2019 Adjusted for Inflation (£000) |
|-------------|---|---|
| Borrowing | 4,550 | 3,688 |
| Investments | 17,611 | 14,226 |

Source: <https://www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator>

Prospects for Interest Rates

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

| | | Interest Rate Forecasts | | | | | | | |
|----------------------|--|-------------------------|--------|--------|--------|--------|--------|--------|--------|
| Bank Rate | | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 | Jun-25 | Sep-25 | Dec-25 |
| Link | | 5.25% | 5.25% | 4.75% | 4.25% | 3.75% | 3.25% | 3.00% | 3.00% |
| Cap Econ | | 5.25% | 5.00% | 4.50% | 4.00% | 3.50% | 3.00% | 3.00% | 3.00% |
| 5Y PWLB RATE | | | | | | | | | |
| Link | | 4.50% | 4.40% | 4.30% | 4.20% | 4.10% | 4.00% | 3.80% | 3.70% |
| Cap Econ | | 4.70% | 4.40% | 4.20% | 4.00% | 4.00% | 3.90% | 3.90% | 3.90% |
| 10Y PWLB RATE | | | | | | | | | |
| Link | | 4.70% | 4.50% | 4.40% | 4.30% | 4.20% | 4.10% | 4.00% | 3.90% |
| Cap Econ | | 4.80% | 4.60% | 4.30% | 4.10% | 4.10% | 4.10% | 4.10% | 4.10% |
| 25Y PWLB RATE | | | | | | | | | |
| Link | | 5.20% | 5.10% | 4.90% | 4.80% | 4.60% | 4.40% | 4.30% | 4.20% |
| Cap Econ | | 5.30% | 5.00% | 4.70% | 4.30% | 4.30% | 4.30% | 4.30% | 4.30% |
| 50Y PWLB RATE | | | | | | | | | |
| Link | | 5.00% | 4.90% | 4.70% | 4.60% | 4.40% | 4.20% | 4.10% | 4.00% |
| Cap Econ | | 4.90% | 4.70% | 4.50% | 4.40% | 4.40% | 4.40% | 4.30% | 4.30% |

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

- The CPI measure of inflation peaked at 11.1% in October 2022, by January it had become clear that inflation was moving down significantly from its 40-year double-digit highs, and the Bank of England signalled in March 2024 that the next move in Bank Rate would be down, so long as upcoming inflation and employment data underpinned that view. CPI is expected to fall materially below 2% over the summer months and to stay there in 2025 and 2026.
- Nonetheless, there remains significant risks to that central forecast, mainly in the form of a very tight labour market putting upward pressure on wages and continuing geo-political inflationary risks emanating from the prevailing Middle East crisis and the Russian invasion of Ukraine.
- Link's central forecast for interest rates in March 2024 reflected a view that the MPC would be keen to underpin its anti-inflation credentials by keeping Bank Rate at 5.25% until at least Q2 2024. Link expect rate cuts to start when both the CPI inflation and wage/employment data are unequivocally supportive of such a move, and that there is a strong likelihood of the overall economy enduring tepid growth (at best) or a mild recession (at worst) over the coming months.
- Naturally, timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

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Overview and Audit Committee Forward Plan 2024/25

ITEM 14

| Item | Reporting Date | Recommended Action | Lead Officer |
|---|----------------|--------------------|---|
| Internal Audit Reports (a) Final Audit Reports (b) Update on Progress of the Annual Audit Plan (c) Update on Progress of Audit Recommendations (d) Annual Audit Opinion | November 2024 | Noting | Internal Audit Manager and Director of Finance and Assets |
| HMICFRS Update | November 2024 | Noting | Head of Technology, Transformation and PMO |
| 2023/24 Compliments, Concerns and Complaints | November 2024 | Noting | Director of Legal and Governance |
| Corporate Risk Management | November 2024 | Decision | Director of Legal and Governance |
| Prevention Improvement Plan Update/Close Project | November 2024 | Noting | Head of Prevention, Response and Resilience |
| Treasury Management Performance | November 2024 | Noting | Deputy Director of Finance and Assets |
| Whistleblowing Procedure | November 2024 | Noting | Head of Human Resources |

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