

Audit Progress Report and Sector Update

West Midlands Fire and Rescue Authority
Year ending 31 March 2018

August 2018



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Introduction



Richard Percival

Engagement Lead

T 0121 232 5434
M 07584 591508
E richard.d.percival@uk.gt.com



Emily Mayne

Engagement Manager

T 0121 232 5309
M 07880 456112
E emily.j.mayne@uk.gt.com

This paper provides the Audit and Risk Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes a summary of emerging national issues and developments that may be relevant to you as a Fire and Rescue Authority.

Members of the Audit and Risk Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications. www.grant-thornton.co.uk.

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Progress to date

2017/18

Our audit of the 2017/18 financial statements is now complete. Our Audit Findings Report was discussed with the Audit and Risk Committee on 23 July 2018 and we issued our audit opinions on 23 July 2018. We also issued our audit certificates on this date.

Overall we issued:

- unqualified opinion on the Fire Authority's financial statements; and
- unqualified value for money conclusion for the Fire Authority.

We have issued all our deliverables for 2017/18 and have concluded our work on the 2017/18 financial year. Our Annual Audit Letter is included as a separate agenda item. This summarises the findings of our audit work in 2017/18.

2018/19

We have begun our planning processes for the 2018/19 financial year audits.

Our formal work and audit visits will begin later in the year and we will discuss the timing of these visits with management. In the meantime we will:

- continue to hold regular discussions with management to inform our risk assessment for the 2018/19 financial statements and value for money audits;
- review minutes and papers from key meetings; and
- continue to review relevant sector updates to ensure that we capture any emerging issues and consider these as part of audit plans.

Other areas

Meetings

We met with Finance Officers in June as part of our quarterly liaison meetings and continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective. We also meet with your Chief Fire Officer to discuss the Authority's strategic priorities and plans.

Events

We provide a range of workshops, along with network events for members and publications to support the Authority. Further details of the publications that may be of interest to the Authority are set out in our Sector Update section of this report.

Audit Deliverables

2018/19 Deliverables	Planned Date	Status
Fee Letter Confirming audit fee for 2018/19.	April 2018	Complete
Accounts Audit Plan We are required to issue a detailed accounts audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Authority's 2017-18 financial statements.	January 2019	Not started
Interim Audit Findings We will report to you the significant findings from our interim audit and our initial value for money risk assessment within our Progress Report.	March 2019	Not started
Audit Findings Report The Audit Findings Report will be reported to the July Audit Committee.	July 2019	Not started
Auditors Report This is the opinion on your financial statement, annual governance statement and value for money conclusion.	July 2019	Not started
Annual Audit Letter This letter communicates the key issues arising from our work.	September 2019	Not started

Sector Update

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in our updates. We include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- **Grant Thornton Publications**
- **Insights from sector specialists**
- **Reports of interest**
- **Accounting and regulatory updates**

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website.

Developing the fire and rescue service inspections

In July 2017, HMICFRS extended its remit to include inspections of England's fire and rescue service. They carried out three pilot inspections in Staffordshire, Suffolk and West Yorkshire fire and rescue services in early 2018 and have been working with fire and rescue services, fire authorities and other interested parties to develop the inspection methodology and approach.

The HMICFRS report sets out what has been learned from the three pilot inspections carried out between March and May 2018. It also includes learning from the public and sector consultations on the inspection programme and framework, methodology and judgment criteria respectively. The report explains how they have adapted the inspection approach to take account of learning and feedback from services.

The pilot areas were chosen to allow HMICFRS to gain an understanding of three of the governance arrangements for fire and rescue services (county council, combined fire authority and metropolitan). The selection also allowed them to test the methodology on services of different sizes, complexities and workforce mixes, and from different areas of the country.

They consulted the external reference group (ERG) on the selection criteria for the pilot inspections and then worked with the three services as part of the planning stage. The objectives were to test the methodology and judgment criteria, and train the new staff involved in the inspection process.

The pilot inspections broadly followed the same timing and sequence as the planned inspections, however slightly larger teams were used for the pilot inspections. This has enabled training of new inspection staff alongside experienced inspectors; supporting their development, as well as testing the methodology.

During the pilot inspections, the inspection teams spoke to over ten percent of the frontline workforce of each service.

The report can be accessed at:

<https://www.justiceinspectorates.gov.uk/hmicfrs/publications/developing-fire-rescue-service-inspections/>





NFCC's response to Hackitt Review following a call for views

The National Fire Chiefs Council has submitted its response following a call for views on Dame Judith Hackitt's Independent report on Building Regulations and Fire Safety which was released in May this year.

NFCC have welcomed many of Dame Judith's recommendations and her determination shown to fix the system. While NFCC is broadly supportive of most of the recommendations and is keen to see these acted upon, NFCC also believes there are opportunities to go further, and the sector would benefit from wider application of the proposals.

Key points in the NFCC's response are as follows:

- Widening the definition of Higher Risk Residential Buildings (HRRBs). This is currently too narrow. The definition should maintain the current minimum 18 metres, with an aim to move toward an 11 metre limit. It should also be widened to include other buildings based on the vulnerability of occupants, such as residential care homes and specialised housing regardless of their height
- The Government should commit to a specified time frame in which to review implementation, and extend the recommendations to other parts of the sector
- Support for the principle of a strengthened regulator, with a developed JCA setting standards
- The current gap between the Housing Act and Regulatory Reform (Fire Safety) Order is one of the biggest problems in the current landscape which must be resolved, through primary regulation

- Competence remains one of the most important aspects across the sector and is a common thread through the majority of issues highlighted. This is key across every role and scheme
- Support for the proposals on product testing, including a robust testing programme, better market surveillance, and greater transparency on passes and failures recorded
- Sprinklers should be a requirement in all new builds above 18 metres and above, and retro-fitted in existing buildings 30 metres and above.

The full response can be accessed here:

https://www.nationalfirechiefs.org.uk/write/MediaUploads/Grenfell/NFCC_final_response_DJH_-_31_July_2018.pdf

