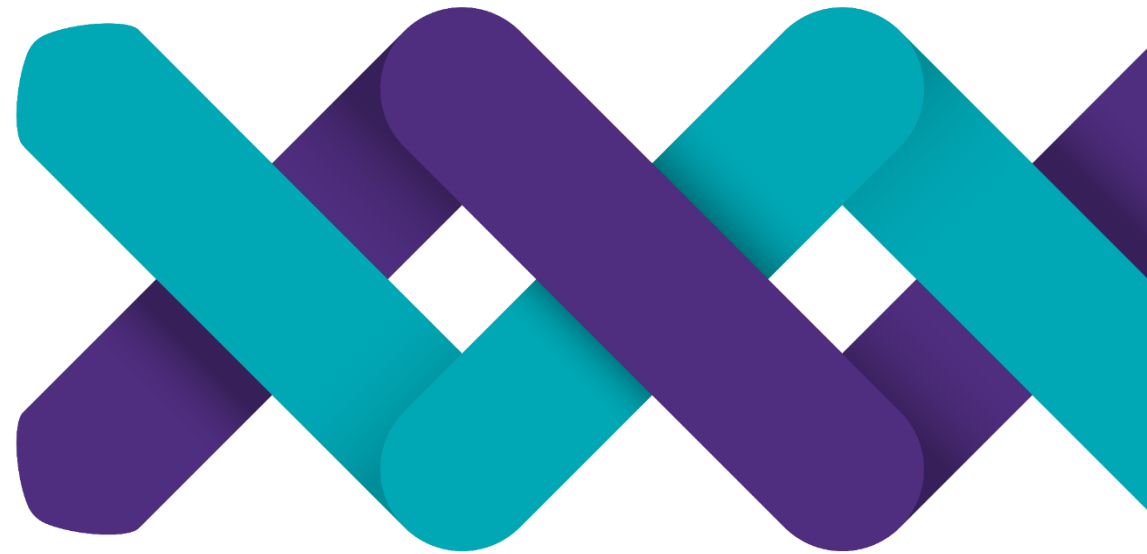


# Audit Progress Report and Sector Update

West Midlands Fire and Rescue Authority  
Year ending 31 March 2019

January 2019



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# Introduction

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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. Click on the Grant Thornton logo to be directed to the website [www.grant-thornton.co.uk](http://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

## Financial Statements Audit

We have started planning for the 2018/19 financial statements audit and will issue a detailed audit plan, setting out our proposed approach to the audit of the Authority's 2018/19 financial statements.

Our detailed 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.

This is a particularly challenging year for the Authority as they navigate their position and ensure that governance arrangements are robust. In relation to your financial statements, we will continue to engage with the finance team on any emerging financial reporting issues as a result of this.

## Value for Money

The scope of our work is set out in the guidance issued by the National Audit Office. The Code requires auditors to satisfy themselves that; "the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".

The guidance confirmed the overall criterion as: "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".

The three sub criteria for assessment to be able to give a conclusion overall are:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties

We will make our initial risk assessment to determine our approach in January 2019 and report this to you in our Audit Plan.

We will report our work in the Audit Findings Report and give our Value For Money Conclusion by the deadline in July 2019.

## Other areas

### Meetings

We 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.

Your finance team will shortly receive an invitation to the Chief Accountants' Workshops which we hold, offering an opportunity to hear about the latest financial reporting requirements, and also network with others who face similar reporting challenges.

# Audit Deliverables

2018/19 Deliverables	Planned Date	Status
<b>Fee Letter</b> Confirming audit fee for 2018/19.	April 2018	Complete
<b>Accounts Audit Plan</b> We are required to issue a detailed accounts audit plan to the Audit and Risk Committee setting out our proposed approach in order to give an opinion on the Authority's 2018/19 financial statements.	March 2019	In progress
<b>Interim Audit Findings</b> 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 yet due
<b>Audit Findings Report</b> The Audit Findings Report will be reported to the July Audit Committee.	July 2019	Not yet due
<b>Auditors Report</b> This is the opinion on your financial statement, annual governance statement and value for money conclusion.	July 2019	Not yet due
<b>Annual Audit Letter</b> This letter communicates the key issues arising from our work.	September 2019	Not yet due

# Sector Update

Local government finances are at a tipping point. Local Government bodies are tackling a continuing drive to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

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, the wider NHS 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 this update. We also 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 local government 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 by clicking on the logos below:

Public Sector

Local  
government

# HMICFRS news

## Fire and Rescue Service inspections 2018/19 - summary of findings from tranche 1



HMICFRS has published the results of the first independent inspection into fire and rescue services (FRSs) for 12 years. This is the first of three tranches of reports to be issued over the next twelve months, as a result of ongoing inspections of the 45 fire and rescue services in England.

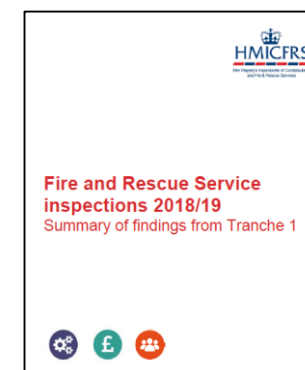
Her Majesty's Inspector of Fire and Rescue Services, Zoë Billingham, who led the report said: "We looked at 14 fire and rescue services in this first phase of our reports on the fire and rescue services, and we were pleased to find that overall, when people really need them, fire and rescue services respond quickly, and they do this with bravery and dedication. Anyone who saw coverage of the terrible fire at Grenfell Tower will appreciate the danger that firefighters put themselves into, in order to keep people safe. The public rightly hold the work of fire and rescue services in high regard."

"This is the first time that fire and rescue services have been independently inspected in 12 years, and so it is not surprising perhaps that we found that there is some work for services to do. For example, a vital part of a fire and rescue service's role is to ensure that premises are being kept safe, but protection work is not a priority currently. This integral part of a fire and rescue service's role has not been given sufficient focus and that needs to change."

"We were also concerned to find fundamental cultural problems in too many services. We found extraordinarily outdated practices, like no dedicated provision for female firefighters to change or shower, or staff being humiliated by their peers. Too often these outdated practices are not occurring under the radar – most worryingly they are seen as the norm. Swift and sustained action is required for fire and rescue services to create a modern, inclusive environment, where everyone feels welcome."

Overall most fire and rescue services are operationally effective, with ten services judged to be 'good' and four 'requiring improvement'. This judgment is reached by HMICFRS's assessment of services' activities in understanding risk, prevention, protection, response and responding to national incidents.

The full report can be accessed by clicking on the cover of the report below and following the hyperlink:





The Chair of the National Fire Chiefs Council has received the fire and rescue inspectorate report (Thursday December 20th) which gives the first overview of inspections of English Fire and Rescue Services.

The inspections focused on three key areas: How effective is the fire and rescue service at keeping people safe from fire and other risks; how efficient is the service at keeping people safe from fire and other risks; and how well does the service look after its people?

NFCC Chair Roy Wilsher noted the new inspectorate regime and report, but highlighted only a third of services have been inspected to date.

He said: “These are the first inspections of fire and rescue services for more than a decade and the first inspections not conducted by ex-Chief Fire Officers. I am pleased to see this report has finally been published. It is important to note we will not see the full national picture until all services have been inspected.

“NFCC has worked closely with the Inspectorate to help develop the inspection methodology. We will now work with fire and rescue services to review the inspectorate reports as they are published. This will allow us, working together, to ensure areas for improvement are identified and addressed. It is important to note that Government policy, prior to Fire and Rescue moving back to the Home Office, has been for localism to be the priority and for the removal of national fire and rescue institutions including the old Inspectorate, core progression training, examinations, national standards and the sale of the Fire Service College.

“Working with the Home Office we are now seeing some national work in England returning, including the Inspectorate and the new Fire Standards Board, which will build on the good work led by NFCC including National Operational Guidance.”

“The inspections also highlight areas which may need additional government support, including funding, particularly in the area of Fire Protection and Prevention, even more important since the Grenfell Tower Tragedy and Hackitt review. We will then work with services, the Home Office and HMICFRS to address these issues.

“The report states that long-term under-investment in areas such as protection has resulted in large reductions in fire safety audits. However, to address these issues, it is essential fire and rescue services receive adequate funding.

“We must be resourced to risk, not only to demand, especially with additional work likely to come out of the Hackitt Review. We must ensure the public have confidence in their fire and rescue service to keep them safe. NFCC has several work streams focusing on these areas, including our national Community Risk Programme and a programme focusing on digital and data.

“It is disappointing to see that not everywhere has so far achieved a positive internal working culture and we will continue work on this extremely important area. Diversity and embracing difference is another area for improvement however we have several NFCC initiatives underway to address this, which are being well-supported by fire services.”

The 14 individual reports can be accessed here:

<https://www.justiceinspectors.gov.uk/hmicfrs/publications/fire-and-rescue-service-inspections-2018-19/>



## Fire Chiefs Broadly Welcome Hackitt Plans



The National Fire Chiefs Council (NFCC) has welcomed announcements made on 18 December 2018 that the Government will accept most of the findings from Dame Judith Hackitt's Independent Review of Building Regulations and Fire Safety, but expressed concern that key aspects need to go further.

The Implementation Plan, published by the Secretary of State for Housing, Communities and Local Government, James Brokenshire, laid out the Government's response to the Independent Review and a plan to consult on further details in 2019.

NFCC Chair, Roy Wilsher, welcomed the Government's plan to consult on the definition of high-risk buildings, noting "NFCC remain disappointed that Dame Judith's working groups did not consult on what constitutes a high-risk building. The result was an arbitrary recommendation based on limited analysis, which has hampered further progress from being made to date. We believe the regime should apply more widely to buildings where a considerable number of people sleep, and be built on better risk information."

Mark Hardingham, Chair of the Protection and Business Safety Committee added "We are pleased the Government has now called for evidence on a full technical review of Approved Document B (ADB). The NFCC will be calling for improvements to sprinkler requirements, firefighting access and other provisions needed to help make communities safer, such as technical requirements for fire hydrants."

Terry McDermott, NFCC lead for Automatic Water Suppression Systems added "Sprinkler requirements in Wales and Scotland surpass those in England, including domestic sprinklers in new social housing developments and suppression systems in new homes. This month, Scotland announced changes to reduce some height related building regulations requirements from 18 metres to 11 metres, and where possible, extend mandatory installation of sprinklers in flats, regardless of height, and in larger multi-occupancy dwellings and those which provide care. NFCC would like to see English standards enhanced to improve consistency and public safety across the UK."

Roy Wilsher added "Recent announcements to ban dangerous cladding are welcomed, but we remain disappointed the ban does not go further and apply to buildings of any height. People in buildings below 18 metres should be afforded the same protection as those in other buildings. This threshold is a historical height which does not reflect modern firefighting equipment and practices. As such, we hope the review of ADB will properly reconsider the appropriateness of the 18 metre threshold."

NFCC is also concerned that issues about the competency of those in the building and fire safety sector remain and were highlighted in detail by Dame Judith Hackitt in her report. Urgent action is needed to address this skills gap otherwise the plans to improve the oversight of a building's design, construction and maintenance, will be thwarted because of insufficient numbers of people with the relevant skills, qualifications, and behaviours to provide the proper scrutiny.

The full written statement made by James Brokenshire, Secretary of State for Ministry of Housing, Communities and Local Government, can be accessed here:

<https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-12-18/HCWS1201/>

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# Links

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## Grant Thornton website links

<https://www.grantthornton.co.uk/>

<http://www.grantthornton.co.uk/industries/publicsector>

## HMICFRS website link

<https://www.justiceinspectors.gov.uk/hmicfrs/fire-and-rescue-services/>

