

West Midlands Fire and Rescue Authority

Audit Committee

You are summoned to attend a meeting of the Audit Committee to be held on Monday, 04 June 2018 at 12:30 at Fire Service HQ, 99 Vauxhall Road, Nechells, Birmingham B7 4HW for the purpose of transacting the following business:

Agenda – Public Session

- | | | |
|-----------|--|----------------|
| 1 | To receive apologies for absence (if any) | |
| 2 | Declarations of interests in contracts or other matters | |
| 3 | Minutes of the Audit Committee held on 26.3.08 | 3 - 8 |
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| 5 | Whistleblowing & RIPA 2018 | 19 - 40 |
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| 8 | Pension Board Amended Terms of Reference 2018.19 | 67 - 78 |
| 9 | Audit Committee Work Programme 2017-18 | 79 - 84 |
| 10 | Update on Corporate Risk
Verbal Update from Deputy Chief Fire Officer | |
| 11 | Audit Committee Update from External Auditors
Verbal Update | |
| 12 | Private Meeting with External Auditors
Grant Thornton | |
| 13 | Workshop for Members on Statement of Accounts 2017/18
Treasurer | |

Standing Item

14 Update on Topical, Legal and Regulatory Issues (Verbal Report).

Distribution:

Adam Aston - Member, Mohammed Idrees - Member, Robert Sealey - Member, Paul Singh - Member, Tersaim Singh - Chairman, Fiona Williams - Member

Agenda prepared by Julie Connor

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This agenda and supporting documents are also available

Electronically on the West Midlands Fire Service website at

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Minutes of the Audit Committee

26 March 2018
at Fire Service Headquarters, Vauxhall Road, Birmingham B7 4HW

Present: Councillors T Singh (Chair), Williams, Aston, Idrees, Sealey, P Singh, Mottram and Mr Ager (Independent)

Apology: None

9/18 **Declarations of Interest in contracts or other matters**

There were no declarations of interest.

10/18 **Minutes of the Audit Committee held on 15 January 2018**

Resolved that the minutes of the meeting held on the 15 January 2018 be approved as a correct record.

11/18 **WMFS Audit Committee Terms of Reference**

The terms of reference for the Audit Committee reflected the Chartered Institute of Public Finance and Accountancy (CIPFA) position statement "Audit Committees in Local Authorities". This statement emphasised the importance of audit committees being in place in all principal local authorities and recognised that audit committees were a key component of good governance.

The Terms of Reference were last reviewed in March 2017 and were subject to their annual review to ensure that they remained relevant and fit for purpose.

It was noted that there had been no changes since the last review.

Resolved that the Audit Committee Terms of Reference be approved.

12/18 **WMFS Internal Audit Plan 26 March 2018**

The report presented detailed the proposed Internal Audit Plan for 2018/19, with an indicative plan covering the period 2019/20 to 2020/21.

The Internal Audit Plan was a fluid plan which could be updated periodically to reflect changes in the risks faced by the Authority.

During the period covered by the plan, the priority and frequency of audit work could be subject to amendment to recognise alterations in the assessment of assurance need/risk analysis, caused by changes within the Authority and the requirements of the Audit Committee and senior managers.

During the year regular meetings were to be held with senior managers and the external auditors to review the plan and discuss the scope, nature and timescales of planned reviews. Any key changes to the plan would then be brought before the Audit Committee for approval.

It was queried whether there were any methods in place for people to raise issues. It was confirmed that the Authority had a Whistle Blowing Policy which was reviewed on an annual basis.

Resolved that the Internal Audit Plan 2018/19 be approved.

13/18 **Audit Plan 2017-18**

The Audit Plan 2017/18 had set out the audit work that Grant Thornton proposed to undertake and the key deadlines and milestones associated with the delivery of this work. The plan had been developed using a risk-based approach and considers the risks relevant to both the audit of accounting statements and the value for money conclusion.

The Code required Grant Thornton to consider whether the Authority had put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This was known as the Value for Money (VFM) conclusion.

The National Audit Office (NAO) had issued its guidance for auditors on value for money work for 2017/18 in November 2017. The guidance stated that for local government bodies' auditors are required to give a conclusion on whether the Authority had proper arrangements in place.

The guidance identified one single criterion for auditors to evaluate:

"In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people".

For 2017/18 the Authority was required to prepare the accounting statements by 30 June 2018 and to submit the audited 2017/18 accounts to the Audit Committee for approval by no later than 31 July 2018. The plan had set out the key phases and activities for the delivery of the audit work. All reports arising from this audit work were to be discussed and agreed with appropriate officers prior to submission to Members.

Resolved that the Audit Plan 2017/18 be approved.

14/18 **Corporate Risk Update**

The report included the Corporate Risk Assurance Map Summary and the Position Statement for Quarter 3. This was the combined six-monthly report as agreed by Members at the Audit Committee Meeting held on the 25 July 2016.

In accordance with the Services risk management strategy, the Corporate Risk Assurance Map Summary was submitted for approval by the Audit Committee, following its submission and discussion at the Corporate Performance Review Meeting.

Corporate risks were those risks which if they occurred would seriously affect the Authority's ability to carry out its core function or deliver its strategic objectives as set out in The Plan. At the time, the Service maintained 9 corporate risks, some of which had more than one element.

Each corporate risk was assigned to a Risk Owner, who was a member of the Strategic Enabling Team. The Risk Owner had the overall responsibility for monitoring and reviewing the progress being made in managing the risk.

To enable for effective risk management, the Risk Owner would have periodically undertaken an assessment of each corporate risk. The frequency of this review would be based upon the estimated risk rating undertaken based on likelihood of impact. The likelihood was a measure of probability of a given risk occurring using a scale of 1 (low) to 4 (high). The impact was a measure of the severity or loss should the risk occur again, using a scale of 1 (low) to 4 (high).

To ensure that Members are kept informed of corporate risk matters a Corporate Risk Assurance Map Summary for Quarter 3 2017/18 (Appendix 1) and the Position Statement for Quarter 3 2017/18 (Appendix 2) were included.

In undertaking a review of corporate risks, the Risk Owner had reviewed the Corporate Risk Assurance Map. The Assurance Map provided details of:

- The strategic objectives and performance indicators relevant to the risk.
- The risk scores.
- A description of events that could lead the corporate risk being realised.
- The control measures in place designed to reduce the likelihood of risk realisation or its impact should the risk be realised.

- Additional control measures currently implemented to further reduce the likelihood or impact.
- Control owners who are responsible for the implementation, maintenance and review of individual control measures.

As part of the review each Risk Owner had considered the risk score and rating and updated the Assurance Map. The Risk Owner had provided assurance that the control measures identified were still effective in the management of risk and identified whether any new risk events or controls could have been implemented or were required.

Where ongoing additional controls were being implemented, Risk Owners would have confirmed the progress in implementing such controls.

It was noted that during the previous six months (Quarter 2 2017/18 and Quarter 3 2017/18) there had been no increase or decrease in any of the risk scores.

Resolved that the Corporate Risk Update be approved. The Corporate Risk Assurance Map Summary (Quarter 3 2017/18) was approved and the Position Statement (Quarter 3 2017/18) was noted.

15/18 **Communications with the Audit Committee for WMFRA**

To ensure that Audit Committee members continue to remain informed upon audit matters, the external auditor had submitted the report 'Communications with the Audit Committee for WMFRA'. It was the intention of the external auditor to provide an update at all Audit Committee meetings.

The communication provided the Audit Committee with a report on Grant Thornton's progress in delivering their responsibilities and included;

- Matters in relation to fraud;
- Matters in relation to law and regulations;
- Matters in Relation to going concern;
- Matters in relation to related parties; and
- Matters in relation to accounting estimate.

16/18 **Internal Audit Progress Report**

The Committee noted the Internal Audit Progress Report which contained details of the matters arising from internal audit work undertaken so far in the current year. The purpose of the report was to bring the Committee up to date with the progress made against the delivery of the 2017/18 Internal Audit Plan. The information included in

the progress report would then feed into, and inform, the overall opinion in the Internal Audit Annual Report issued at the year end.

It summarised the audit work undertaken in a tabular format, and included:

- The areas subject to review (Auditable Area).
- The level of risk to the Authority assigned to each auditable area (high, medium or low).
- The number and type of recommendations made because of each audit review.
- The number of recommendations accepted by management.
- The level of assurance given to each system under review.
- Details of any key issues arising from the above.

17/18 West Midlands Fire Audit Committee Progress Report – March 2018

To ensure that Audit Committee Members continued to remain informed on audit matters, the external auditor had provided an Audit Committee Update report. It was the intention of the external auditor to provide an update at all Audit Committee meetings.

The update provided the Audit Committee with a report on Grant Thornton's progress in delivering their responsibilities as the Authority's external auditors and was noted by the Committee.

18/18 CIPFA Audit Committee Update

CIPFA had continued to develop a series of briefing papers to support public sector audit committee members and to provide a practical resource for those who support audit committees. The update was published approximately three times a year. Each one included a main feature, together with pointers to new developments or guidance that audit committee members may need to be aware of. The focus for this edition was on the Audit Committees Role in Risk Management and a Briefing on Current Issues. The Update was noted by the Committee.

19/18 Audit Committee Work Programme 2017/18

The Committee noted the Work Programme for the remainder of 2018.

20/18 Update on Topical, Legal and Regulatory Issues (Verbal Report)

It was noted that Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) was expected to be providing their feedback to the fire sector sometime in April or May, with West Midlands Fire Service due to be inspected sometime toward the end of 2018.

The meeting finished at 1304 hours.

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WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT COMMITTEE

Item 4

4 JUNE 2018

1. GOVERNANCE STATEMENT 2017/18

Joint report of the Chief Fire Officer, Treasurer and Monitoring Officer.

RECOMMENDED

THAT the Committee considers and comments on the Governance Statement for 2017/18.

2. PURPOSE OF REPORT

This report is submitted to Members to seek comments and consideration of the Governance Statement for 2017/18.

3. BACKGROUND

- 3.1 West Midlands Fire and Rescue Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 3.2 In discharging this overall responsibility, the Authority is also responsible for putting in place proper arrangements for the governance of its affairs, which includes arrangements for the management of risk.
- 3.3 Every Local Authority has to produce a Governance Statement (see attached Appendix 1) with its Statement of Accounts, which are due to be made available at the end of June 2018.
- 3.4 The Governance Statement 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 Governance Statement is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

- 3.5 The Statement is signed by the Chairman of the Authority and the Chief Fire Officer who have a responsibility to ensure that the document is supported by reliable evidence and accurately reflects the Authority's internal control environment. The Governance Statement has operated throughout the year ended 31st March 2018 and up to date of the approval of the annual report and accounts.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out because the matters contained in this report do not relate to a policy change.

5. **LEGAL IMPLICATIONS**

The Authority has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. As part of this it has to produce a Governance Statement.

6. **FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from this report.

BACKGROUND PAPERS

None.

The contact officer for this report is Deputy Chief Fire Officer Philip Hales, 0121 380 6907.

PHIL LOACH	MIKE GRIFFITHS	SATINDER SAHOTA
CHIEF FIRE OFFICER	TREASURER	MONITORING OFFICER

Ref. AU/AC/2018/June/92004181

ANNUAL GOVERNANCE STATEMENT

1. Scope of Responsibility

- 1.1 West Midlands Fire and Rescue Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this duty, the Authority is also responsible for putting in place proper arrangements for the governance of its affairs which facilitates the effective exercise of the Authority's functions and which includes arrangements for the management of risk.
- 1.3 The Authority has complied with the code of corporate governance which is consistent with the principles of the revised CIPFA/SOLACE Framework 2016 published by CIPFA in association with the International Federation of Accountants (IFAC) – Delivering Good Governance in Local Government. The Authority has also complied with the requirements of CIPFA's statement on the role of the Chief Financial Officer in Local Government. This Annual Governance Statement explains how the Authority has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2015, regulation 6 which require the Authority to prepare an Annual Governance Statement.

2. The Purpose of the Governance Framework

- 2.1 The governance framework comprises the systems and processes, culture and values by which the Authority is directed and controlled and its activities through which it accounts to and engages with the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, value for money services.
- 2.2 The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place for the year ended 31st March 2018 and up to the date of the approval of the annual report and statement of accounts.

3. The Governance Framework

The key elements of the systems and processes that comprise the Authority's governance arrangements include the following:-

- 3.1 The Authority has produced a Corporate Strategy setting out its objectives and there is regular performance monitoring in which achievement of the Authority's objectives is measured and monitored.
- 3.2 The Authority has established clear channels of communication with the community and stakeholders regarding the production of the Annual Report and consultation on the key priorities of the Service. This also encourages open communication.
- 3.3 The Authority facilitates policy and decision-making via regular Policy Planning Forums and Authority and Executive Committee meetings. An Audit Committee provides independent assurance to the Authority on risk management and internal control and the effectiveness of the arrangements the Authority has for these matters. The constitution of the Committees including the terms of reference is reviewed annually and available on the Internet.
- 3.4 The Authority ensures compliance with established strategies, procedures, laws and regulations – including risk management. The Authority also maintains and reviews regularly its code of conduct and whistle blowing policy. There is a comprehensive induction programme in place and information regarding strategies and procedures are held on the intranet, which continues to be developed. The Authority has a strong Internal Audit function and established protocols for working with External Audit.
- 3.5 West Midlands Fire and Rescue Authority will continue to enhance and strengthen its internal control environment through the review of current policies and procedures.
- 3.6 The Authority has corporate risk management arrangements in place which are supported by an approved Risk Management Strategy enabling Managers and other senior officers to identify, assess and prioritise risks within their own work areas which impact on the ability of the Authority and its services to meet objectives. To consider the effectiveness of the Authority's risk management arrangements is a specific term of reference for the Audit Committee and risk management is a specific responsibility of both the Chairman and Vice Chairman.
- 3.7 The Authority's Corporate Risk Register identifies the principal risks to the achievement of the Authority's objectives and assesses the nature and extent of those risks (through assessment of likelihood and impact). The Register identifies risk owners whose responsibility includes the identification of controls and actions to manage them efficiently, effectively and economically.

- 3.8 The Authority ensures the economical, effective and efficient use of resources, and secures continuous improvement in the way in which its functions are exercised, by having regard to a combination of economy, efficiency and effectiveness as required by the Best Value duty. The Authority plans its spending on an established planning cycle for policy development, budget setting and performance management through the business planning process. This ensures that resources are aligned to priorities and secures best value from the resources that are available.
- 3.9 The Chief Financial Officer is a key member of the leadership team, helping to develop and implement the Authority's strategy. The Authority's financial system is an ORACLE based general ledger and management information system, which integrates the general ledger function with those of budgetary control and payments. Financial Regulations and Contract Procedure Rules are approved and regularly reviewed by the Authority. A rigorous system of monthly financial monitoring ensures that any significant budget variances are identified in a timely way, and corrective action initiated.
- 3.10 The Authority's performance management and reporting of performance management continues to be improved with a more focused Corporate Strategy, the setting of priorities and is supported by regular performance monitoring. Corporate performance is reported on a quarterly basis and this process provides officers and Members with the opportunity to share knowledge and understanding about key performance issues affecting services.
- 3.11 The Authority within its committee framework has a Standards Committee to promote high ethical standards amongst Members. This Committee leads on developing policies and procedures to accompany the Code of Conduct for Members and is responsible for local assessment and review of complaints about members' conduct. The Authority also has a Scrutiny Committee which undertakes performance management functions and informs policy development.
- 3.12 The Fire and Rescue National Framework for England sets out a requirement for Fire and Rescue Authorities to publish 'Statements of Assurance'. Specifically, Fire and Rescue Authorities must provide 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 this Framework. The Authority has approved the Statement of Assurance which is available on the Service's website.

4. Review of Effectiveness

4.1 The 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 statutory officers and principal managers of the Authority who have responsibility for the development and maintenance of the governance environment, the internal audit annual report and comments made by the external auditors in their annual audit letter and other reports.

4.2 Section unit business plans contain a variety of performance indicators and targets that are regularly reviewed.

4.3 The Authority's political governance arrangements, which are appropriately reviewed by officers, set out the responsibilities of both Members and senior managers. In particular the Authority has identified the following statutory post holders:-

- Chief Fire Officer
- Treasurer
- Monitoring Officer

In addition to the statutory posts, the post of Clerk to the Authority has been maintained.

4.4 The arrangements for the provision of internal audit are contained within the Authority's Financial Regulations. The Treasurer is responsible for ensuring that there is an adequate and effective system of internal audit of the Authority's accounting and other systems of internal control as required by the Accounts and Audit Regulations 2015. The internal audit provision operates in accordance with the CIPFA Code of Practice for Internal Audit in Local Government. The Authority's Audit Plan is prioritised by a combination of the key internal controls, assessment and review on the basis of risk and the Authority's corporate governance arrangements, including risk management. The work is further supplemented by reviews around the main financial systems, scheduled visits to Authority establishments and fraud investigations. Internal Audit leads on promoting a counter-fraud culture within the Authority.

4.5 The resulting Audit Plan is discussed and agreed with officers of the Strategic Enabling Team and the Audit Committee and shared with the Authority's external auditor. Meetings between the internal and external auditor ensure that duplication of effort is avoided. All Authority Audit reports include an assessment of the adequacy of internal control and prioritised action plans to address any areas needing improvement.

- 4.6 The Authority's review of the effectiveness of the system of internal control is informed by:-
- The work undertaken by Internal Audit during the year;
 - The work undertaken by the external auditor reported in their annual audit;
 - Other work undertaken by independent inspection bodies.
- 4.7 From the work undertaken by Internal Audit in 2017/2018 the Internal Audit has given a 'reasonable assurance' that the Authority has adequate and effective governance, risk management and internal control processes. This represents an unqualified opinion and the highest level of assurance available to Audit Services. In giving this opinion it is recognised that assurance can never be absolute. The most that internal audit can provide is reasonable assurance that there are no major weaknesses in the Authority's governance, risk management and control processes.
- 4.8 The Authority is able to confirm that its financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government.
- 4.9 Audit Services have reported and advised on the implications of the result of the review of effectiveness of the governance framework by the sources noted above and that the arrangements continue to be regarded as fit for purpose in accordance with the Authority's governance framework. The areas to be specifically addressed are outlined in 5.5.

5. Significant governance arrangements within the Authority

- 5.1 West Midlands Fire & Rescue Authority has a legal duty to provide an efficient, safe and effective fire and rescue service. The key priorities are:-
- Prevention – Safer and healthier communities
 - Protection – stronger business communities
 - Response – dealing effectively with emergencies
- 5.2 These form the basis of the Authority's Corporate Strategy known as The Plan 2017-2020 which sets out the outcomes and priorities based on the Community Safety Strategy. The five-minute attendance standard lies at the heart of the Service Delivery Model. The model shows how staff provide the core prevention, protection and response services to make the West Midlands safer, stronger and healthier.
- 5.3 Grant Thornton, the Authority's External Auditors, published the Audit Findings Report for its 2016/2017 audit work which reported an unqualified opinion on the financial statements. It also issued an unqualified value for money conclusion stating that the Authority had proper arrangements in all significant respects to ensure it delivered value for money in the use of resources.

5.4 Based on audit work undertaken during the year an Annual Internal Audit Report was presented to the Audit Committee on 4 June 2018, Audit work which was completed in 2017/2018 included:-

- Risk Management
- Fixed Asset Accounting
- Fire Stations – Management of Fuel
- Accounts Receivable
- Partnerships
- Accounts Payable
- Absence Management
- Budgetary Control
- Payroll
- Governance
- Environmental Protection Targets
- Data Protection / IT
- Pensions Certification

5.5 As a result of these audits the following issues were identified:-

Absence Management

A review was undertaken to provide assurance on the level of compliance with the requirements of the absence management policy. One fundamental and one significant issue was identified relating to:

- examples were found of managers uploading copies of fit notes to HMRS. The sharing of data without the specific consent of the employee is a breach of the data protection regulations and could lead to action being taken by the Information Commissioner's Office (ICO) and fines applied. The introduction of the new General Data Protection Regulations (GDPR), effective from 25 May 2018, will have a greater impact in terms of fines, as the maximum potential fine per breach will increase from £500,000 to £17million.
- during the review, one manager reported that they still received absence triggers/alerts in respect of staff for whom they no longer had operational responsibility. Again, the sharing of this data is a breach.

Fire Stations – Management of Fuel

The procedures for management of fuel are contained within Standing Order 9/1. The purpose of the review was to provide assurance on compliance with established controls relating to ordering, receipt and dispensing of fuel at a sample of stations. Issues of significance identified related to:

- fuel being ordered when the tank was below the re-order level. In addition, it is a requirement that fuel is delivered within two days. This target was not always achieved. This exposes the Authority to the risk of having insufficient fuel to provide the level of service required.
- it is a requirement of the standing order to report variances between fuel book stock and physical stock, which exceed 150 litres. Examples were

found where such variances were not reported and as such, not investigated.

Partnerships

A review was undertaken to provide assurance that partnership agreements had been properly established and that effective governance and monitoring arrangements were in place to ensure that expected outcomes were achieved. Two issues of significance were identified relating to:

- the “Partnerships Governance Arrangements and Framework” document, which details the key processes to be followed in setting up a partnership, states that the Partnerships Team will undertake quality assurance checks and provide assurance that:
 - each partnership agreement has clearly defined roles and responsibilities and strong governance arrangements in place.
 - effective partnership monitoring arrangements are in operation.

These quality assurance checks had yet to commence. As such, there was a risk that the initial momentum generated by the Partnership Team could stall, resulting in a lack of consistency in approach by partnership facilitators and learning opportunities missed. Thus, undermining a key goal of the Authority of establishing effective partnership arrangements.

- it is a policy of the Authority, that as part of the governance and planning of all partnership arrangements and partnership activity, that as a minimum an Initial Equality Impact Assessment (IEIA) is undertaken. However, IEIAs were not being completed and the Authority could therefore, be in breach of the Equality Act 2010. This could expose the Authority to the risk of enforcement action being taken by the Equality and Human Rights Commission or result in a legal challenge.

- 5.6 All issues highlighted in the Annual Internal Audit Report have been raised with relevant managers and actions have been taken to achieve improvements.
- 5.7 As part of the Finance Settlement for 2016/17, an offer was made for a multiyear funding settlement. Any Authority wishing to take up the four year funding settlement to 2019/20 was required to set out their proposals in an Efficiency Plan to qualify for the four year settlement from April 2016. The Authority considered and approved the Efficiency Plan which was submitted to the Home Office. In February 2018, the Secretary of State for Ministry of Housing, Communities and Local Government confirmed the Authority's funding settlement for 2018/19. The core funding reduction of approximately £1.7m in 2018/2019 is broadly in line with the provisional four year settlement. At this stage the provisional four year settlement is considered to be a reasonable basis to formulate medium term financial planning although a further core funding reduction of £1m has been assumed in year 3 (2020/21) of the medium term financial plan, given that it extends beyond the Efficiency Plan timescales.

- 5.8 With the anticipation of cuts to government funding continuing into future years, the Authority faces considerable financial pressures which could result in difficulties to deliver an efficient and effective service, which in turn would increase the risk to the communities of the West Midlands. A key aim for the Authority is to therefore identify and deliver further Service efficiencies to ensure the ongoing stability of the Authority's financial position.

6. Certification

- 6.1 To the best of our knowledge, the governance arrangements, as outlined above have been effectively operating during the year with the exception of those areas identified as requiring improvement. We propose over the coming year to take steps 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 during the review of effectiveness and will monitor their implementation and operation as part of our annual review.

John Edwards
Chairman

Phil Loach
Chief Fire Officer

AUDIT COMMITTEE

4 JUNE 2018

1. **MONITORING POLICIES ON RAISING CONCERNS AT WORK –
WHISTLE BLOWING STANDING ORDER 2/20 AND
REGULATION OF INVESTIGATORY POWERS ACT 2000**

Joint report of the Chief Fire Officer and the Monitoring Officer.

RECOMMENDED

- 1.1 THAT the Audit Committee notes that there has been no allegation of whistle blowing reported through the Whistle Blowing Policy (SO 2/20).
- 1.2 There have been no requests to enact the Regulation of Investigatory Powers Act 2000 in West Midlands Fire Service in the last year up to 31 March 2018.
- 1.3 THAT the Audit Committee notes the content of the Whistle Blowing Standing Order 2/20 (attached as Appendix 1) and the Management of Information Framework, Standing Order 1/5, Appendix 4, (attached as Appendix 2).

2. **PURPOSE OF REPORT**

There are no cases to report.

- 2.2 This report is submitted to inform the Committee of the monitoring of the referrals under the Whistle Blowing Standing Order 2/20 (attached as Appendix 1) and the use of the Regulation of Investigatory Powers Act under the Management of Information, Standing Order 1/5, Appendix 4, (attached as Appendix 2).

3. **BACKGROUND**

Whistle Blowing

- 3.1 The Whistle Blowing Standing Order was consulted on 4th June 2014 and then published 27th November 2014. Minor amendments

were made to include names of new personnel who have responsibilities under Whistle Blowing.

This Standing Order is currently under review and will be published by August 2018.

- 3.2 In relation to Whistle Blowing; in May 1996 the Committee on Standards in Public Life stated that “All organisations face the risk of things going wrong or of unknowingly harbouring malpractice. Encouraging a culture of openness within an organisation will help: prevention is better than cure.”
- 3.3 The Public Interest Disclosure Act 1998 sets out a framework for public interest whistle blowing which protects workers from reprisal because they have raised concern about malpractice. Only a disclosure that relates to one of the broad categories of malpractice can qualify for protection under the Act. These include concerns about actual or apprehended breaches of civil, criminal, regulatory or administrative law; miscarriages of justice; dangers to health, safety and the environment and the cover up of any such malpractice. Case law continues to develop this area of law.
- 3.4 In addition to employees, the Act covers for example, workers, contractors, trainees, agency staff. This list is not exhaustive.
- 3.5 To be protected, the person blowing the whistle must believe that their disclosure is “in the public interest”, i.e. disclosure is made in the reasonable belief that there is an issue such as wrongdoing in public office or something that presents a risk to the public that warrants disclosure.
- 3.6 The Committee should note that there has been no allegations of whistleblowing raised by an employee over the last twelve months using the Whistle Blowing Policy up to 31 March 2018.

3.7 **Data Protection**

Data Protection Framework sits as Appendix 4 within the Management of Information Standing Order 1/5 (attached as Appendix 2).

3.8 Regulation of Investigatory Powers

The Regulation of Investigatory Powers Act 2000 (RIPA) provides a framework for control and supervision of investigatory powers exercised by public bodies, including local authorities, in order to balance the need to protect privacy of individuals with the need to protect others, particularly in light of the Human Rights Act 1998.

3.9 The Committee should note that the Service has not approved any surveillance under RIPA legislation in the last twelve months up to 31 March 2018.

3.10 The West Midlands Fire Service will continue to raise awareness through training on the Whistle Blowing Policy, Management of Information and RIPA to all of our partners.

4. EQUALITY IMPACT ASSESSMENT

In preparing this report an Equality Impact Assessment is not required, due to the fact that all our policies have Equality Impact Assessments carried out when updating and amending.

5. LEGAL IMPLICATIONS

5.1 Data Protection: depending on the level and or seriousness of a breach of the Data Protection Act 1998 and incoming Data Protection Bill 2017, there are various levels of prosecution ranging from enforcement notices, financial penalties and in extreme cases custodial sentences.

5.2 RIPA: if surveillance operations are not carried out in accordance with the safeguards as laid down in RIPA, the evidence obtained may not be admissible in legal proceedings and the Service may be subject of a claim on infringing the human rights of the person under surveillance.

6. FINANCIAL IMPLICATIONS

Monetary Penalty notices: fines of up to £500,000 under current Data Protection Act 1998 but rising to 4% of turnover or income circa Euro 20m for serious breaches under the incoming European Union General Data Protection Regulations that are in force from 25th May 2018.

7. **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications arising from this report.

BACKGROUND PAPERS

The Public Interest Disclosure Act 1998 (PIDA)

The contact name for this report is Phil Hales, Deputy Chief Fire Officer, telephone number 0121 380 6907.

PHIL LOACH
CHIEF FIRE OFFICER

SATINDER SAHOTA
MONITORING OFFICER TO THE
AUTHORITY

ORDER 2/20

WEST MIDLANDS FIRE SERVICE WHISTLE BLOWING POLICY

1 STRATEGY

Following the Public Interest Disclosure Act 1998 (PIDA), which came into force in July 1999, legal protection is now provided to employees who raise concerns about suspected dangerous or illegal activity that they are aware of through their work. The common term for voicing such concerns is 'whistle blowing'. West Midlands Fire Service (WMFS) wishes to create an open and honest culture by being compliant with its statutory obligations, detailed in the Act, and ethical standards, detailed in its Core Values. Details on our core values can be found in the Equality & Diversity Standing Order 0213 or 'The Plan':

Employees are often the first to realise that there may be something seriously wrong with the organisation that employs them. They may be able to alert the organisation early on to things like fraud, negligence, bribery and health and safety risks. However, they may not express their concerns, because they feel that speaking up would be disloyal to their colleagues or to the organisation. They may also fear harassment or victimisation. In these circumstances it may be easier to ignore the concern rather than report what may be no more than a suspicion of malpractice.

The procedures in this order give ways for individuals to raise concerns and receive feedback on any action taken. It makes sure that individuals receive a response and know how to pursue concerns if they are not happy with the response. It gives reassurance that individuals will be protected from possible reprisals or victimisation if they believe they have made a disclosure.

2 PROCEDURE

2.1 What the policy covers

The Public Interest Disclosure Act 1998 makes sure that employees, contractors providing services, most agency workers, home workers and trainees on vocational and work experience schemes are legally protected in raising concerns responsibly.

External contractors may encounter wrongdoing that affects WMFS. Therefore, this whistle blowing policy is also open to employees of our contractors.

The subject of concern may be something unlawful, against the Service's policies, below established standards of practice, or that amounts to improper conduct. The overriding concern should be that it would be in the public interest for the alleged malpractice to be corrected.

Whistle blowing is when an employee reports suspected wrongdoing at work. Officially this is called 'making a disclosure in the public interest'.

An employee can report things that aren't right, are illegal or if anyone at work is neglecting their duties, including:

- Someone's health and safety is in danger
- Damage to the environment

- A criminal offence
- The company isn't obeying the law (like not having the right insurance)
- Covering up wrongdoing
- Behaviours that are being displayed

Distinction between grievance and whistle blowing

Whistle blowing occurs when an employee raises a concern about danger or illegality that affects others, not themselves personally. When someone raises a concern through the Service's grievance procedure, they are saying that they have personally been poorly treated and they are seeking redress or justice for themselves. The whistle blowing policy is intended to cover concerns that fall outside the scope of grievance or other existing Service procedures.

2.2 How to raise a concern

If the matter relates to any fraudulent or corrupt activity, concerns should be raised in accordance with procedures detailed in the [0122 Anti-Fraud Corruption and Bribery Policy](#).

If the complainant wishes to raise or discuss any issues which might fall into the above category then the complainant should contact a member of the SET, the Treasurer or the Clerk to the Fire Authority, who will be required by WMFS to treat the matter in confidence.

Where possible, the complainant should raise their complaint in writing setting out the background and history of the concern giving names, dates and places where possible and the reason why the complainant is particularly concerned about the situation. If the complainant does not feel able to put the concern in writing, then the complainant can discuss the concerns verbally with a member of the SET, or the Treasurer or the Clerk to the Fire Authority.

The earlier that the complainant can express the concern and the more detail that can be provided, the easier it will be for the Service to take appropriate and necessary action. Remember:

- the complainant must disclose the information
- the complainant must believe it to be substantially true
- the complainant must not act maliciously or make false allegations
- the complainant must not seek any personal gain

At this stage the complainant will not be expected to prove the allegation, but will need to demonstrate to the person contacted that there are sufficient grounds for reasonable suspicion or concern.

The complainant may invite a member of the trade union representative body or a work colleague to be present during any meetings or interviews in connection with the concerns raised.

Where a concern relates to a Brigade Manager or SET Manager, then either the Strategic Enabler for People (as Responsible Officer), or Deputy Chief Fire Officer or Chief Fire Officer, as appropriate, should be contacted in the first instance. The Assistant Chief Executive, Melanie Dudley at Sandwell MBC has the Monitoring Officer role for the Fire Authority. The Monitoring Officer may be contacted on 0121 569 3513. Address: Sandwell Council House, PO Box 2374, Oldbury, West Midlands, B69 3DE.

The Treasurer to the Fire Authority may be contacted on 0121 3806919. The Clerk to the Fire Authority may be contacted on 0121 380 6678. Address for the Treasurer and the Clerk to the Fire Authority is: West Midlands Fire Service, 99 Vauxhall Road, Birmingham, B7 4HW.
Ref. AU/AC/12205182 WMFS – Official - Public

2.3 Confidentiality

All concerns will be treated in confidence and every effort will be made not to reveal the identity of the complainant. However, it is likely that further investigation will be necessary and the complainant maybe required to attend a disciplinary or investigative hearing as a witness at the appropriate time. An employee raises a concern confidentially if they give their name only on condition that it is not revealed without their consent. A concern is raised anonymously if the employee does not give their name.

2.4 How the Service will respond

The action taken by the Service will depend on the nature of the concern. The matters raised may be investigated internally by an appropriately experienced officer knowledgeable in the area concerned, for example, audit, Line Manager or HR Practitioner.

Alternatively through the disciplinary process, the matter may be referred to the police, the external auditor or may be the subject of an independent enquiry.

In order to protect individuals and the Service, and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Concerns or allegations that fall within the scope of specific procedures, for example, unfair discrimination issues, will normally be referred for consideration under those procedures. Some concerns may be resolved by agreed action without the need for investigation. Members of the SET can seek guidance from the Strategic Enabler of People at any stage in the investigation.

Within 10 working days of a concern being raised, the individual with whom the concern was raised will write to the complainant:

- acknowledging that the concern has been received;
- indicating how the matter is to be dealt with;
- giving an estimate of how long it will take to provide a final response;
- telling the complainant whether any initial enquiries have been made;
- supplying the complainant with information on staff support mechanisms; and
- telling the complainant whether further investigations will take place and if not why not.

The amount of contact between the officer(s) considering the issues will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from the complainant in a discreet manner.

When any meeting is arranged, the complainant will have the right to be accompanied by a representative body or a work colleague. The meeting can be held off site if requested.

West Midlands Fire Service will take steps to minimise any difficulties, which may be experienced as a result of raising a concern and provide any appropriate support. For instance if required to give evidence in disciplinary or criminal proceedings, the Service will advise the complainant of the procedure and give reasonable support. Subject to legal constraints, complainant will receive information about the outcomes of investigations.

Upon completion of the investigation, all documents will be forwarded to the Strategic Enabler of People.

2.5 Responsible Officer

The Strategic Enabler of People has overall responsibility for the maintenance and operation of this policy. This officer maintains a record of concerns raised and the outcomes (but in a form which does not endanger the complainant's confidentiality) and will report as necessary to the Service.

2.6 Harassment or Victimisation

West Midlands Fire Service recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the alleged malpractice. The Service will not tolerate harassment or victimisation and will take action to protect the complainant when a concern is raised.

2.7 Untrue Allegations

If the complainant makes an allegation, but it is not confirmed by the investigation, no action will be taken against the complainant. If however the complainant makes an allegation which, upon full investigation, is found to have been malicious or vexatious, disciplinary action will be considered and the protection of the PIDA will be lost.

2.8 Anonymous Allegations

This policy encourages the complainant to put their name to the concerns. Concerns expressed anonymously are much less powerful, but will be considered at the discretion of the Strategic Enabler of People.

In exercising this discretion the factors to be taken into account would include the:

- seriousness of the issues raised;
- credibility of the concern; and
- likelihood of confirming the allegation from attributable sources and information provided.

2.9 How the matter can be taken further

This policy is intended to provide the complainant with an avenue to raise concerns within the Service. We hope the complainant will be satisfied with the response. If not, the complainant must indicate this to the Strategic Enabler of People or the Treasurer or Clerk or Monitoring Officer to the Fire Authority.

Legal advice may be sought on any concerns about malpractice. If the employee feels it is right to take the matter outside the Service, the following are possible contacts:

- The complainant's recognised trade union
- Citizens Advice Bureau
- A solicitor
- The Police
- Relevant professional bodies or regulatory organisations, such as Ombudsmen.

Public Concern at Work (www.pcaw.co.uk) is a charity that offers free advice to people concerned about danger or malpractice in the workplace, but who are unsure whether, or how, to raise the matter.

3 CROSS REFERENCES

This Standing Order makes reference to and complements issues contained in other Orders, namely:

0122 Anti-Fraud Corruption and Bribery Policy

0201 Disciplinary Procedure

0217 Dignity at Work

4 KEY CONSULTEES

Minor changes only have been made to this Order and consultation was not necessary.

5 EQUALITY AND DIVERSITY

The initial Equality Impact Assessment raised no issues so a full impact assessment was not required.

6 OWNERSHIP

This Standing Order did not require Authority or SET approval.

7 RESPONSIBILITY AND REVIEW/AMENDMENT

7.1 Responsible SET Member/Department

Strategic Enabler People/HR Employee Relations Team

7.2 Created/fully reviewed/amended

This Standing Order has been reviewed, amended by Employee Relations in November 2014 and amended in October 2015.

APPENDIX 4

DATA PROTECTION ACT 1998

1. PROCEDURES

West Midlands Fire Service fully endorse and adhere to the principles of the Data Protection Act 1998.

The Service regards the lawful and correct treatment of personal information as very important to successful service delivery and to maintain confidence between service users, employees including temporary staff, volunteers and those communities we serve. The Service is committed to respecting all rights of those individuals whose personal data it processes and will ensure personal information will be treated lawfully and correctly in accordance with the legislation. It will adopt best practice as designated by the Information Commissioner's Office where possible.

The Service has defined a number of distinctive roles to manage data protection.

Role Title	Position in the Organisation
Data Protection Officer	Data Management Officer
Information Asset Owner (IAO)	SET member from each function responsible for data management within their respective function. Also to be the liaison point for the Data Protection Officer.
Data User	All those that handle data. All individuals have a responsibility to ensure the integrity of the data they use.

Each employee or potential data user will be given such information, instructions and training as is necessary in order to ensure that they are aware of their contractual responsibilities in relation to personal data and so that they are aware that they can, in some cases, be held personally responsible if any personal data is improperly disclosed, destroyed or obtained.

The Data Protection Officer has responsibility to co-ordinate the Service's response to the Data Protection Act 1998 and the Freedom of Information Act 2000, to ensure that the provisions of the legislation are met.

The IAO will have overall responsibility for the personal data kept within their particular department to ensure that such data is maintained in accordance with the principles of the Data Protection Act 1998. This does not absolve Data Users from their responsibility of ensuring that personal data is maintained in accordance with these principles.

1.1 Scope of personal data

Definition of Personal data or information

Is any information held electronically (including all emails) or manually – which relates to a **living** individual who can be identified:

- From the information

- From the information combined with other information which is in the possession of the Service or is likely to come in to the possession of the Service
- Includes any intentions or opinions the Service may have towards the individual

Sensitive Personal data

The Data Protection Act 1998 defines sensitive personal information as information related to:

- Racial or ethnic origin
- Political opinions
- Religious or other similar beliefs
- Membership of trade unions
- Physical or mental health or condition
- Sexual life
- Convictions, proceedings and criminal acts

(See Appendices 1 and 2 for further information)

1.2 Personal records

All information held on a Personal Record File (PRF) will be maintained with a high level of confidentiality and only disclosed to those individuals who reasonably require it as part of their duties.

Files that are maintained locally or within the Occupational Health Unit will comply with the same level of confidentiality.

Information held on a Personal Record File will not be kept for longer than is absolutely necessary and documents will be removed and destroyed in a timely manner following the period agreed below.

1.2.1 Computerised Personal Record File

It is the policy of West Midlands Fire Service that one primary Personal Record File will be maintained for each employee. The information in this file will relate to the individual only and will be maintained by People Support Services (PSS) and the employee in accordance with the Data Protection Act 1998.

Appendix 3 details the information that can be held in the Computerised Personal Record File.

1.3 Local Personal Record File

It is acknowledged that in order to manage locally, certain items of personal information must be retained locally on station or within sections; these include performance, attendance management, training information and Permits to Work. These files must be maintained in accordance with the Data Protection Act 1998.

A Personal Record File can be maintained at the location of the individual but must only contain the items of information as listed in Appendix 3.

These files should be sent back to PSS when the employee ceases employment. If an employee moves temporarily for more than 4 weeks or permanently to another location the file should be forwarded to the other locations clearly marked confidential and addressed to the new line manager. Any movement of files must be conducted under confidential cover in sealed envelopes, with the delivery and receipt recorded.

All information must be kept securely and in confidence.

1.4 Employee Access

1.4.1 Personal record file

All employees under the terms of the Data Protection Act 1998 are entitled to know what personal information the organisation holds about them and how it is being processed. If an employee requires access to their personal record file (PRF) information, the following procedure must be followed.

- Requests should be made in writing to the PSS, giving a minimum of 3 days notice.
- PSS will liaise with the employee to facilitate access,
- The Data Protection Act 1998 gives employees an entitlement to information and not documents

If the employee wishes a third party to be present when viewing the file, for example, a legal or trade union representative, this must be included in the request. Representatives will not be allowed to view the file independently without the explicit written consent of the employee concerned.

Every employee has the ability to view their electronic personal information file. If inaccurate information is found on the system and the employee does not have the access to amend it, details should be forwarded to the PSS who will make the amendments on their behalf.

If line managers wish to view a member of staff's Personal Record File, the procedure described above must be followed where a reason must be provided for needing to view the file.

1.4.2 Occupational health records

Access to occupational health records will follow the procedure described above except that the request to view the records is to be submitted to the Practice Manager, Occupational Health who may need to liaise with the OH Manager or their delegated representative.

1.4.3 Other personal records

Requests to access other personal information that the organisation might hold should be made in writing to the Data Protection Officer at Fire Service Headquarters. The information will then be located and a fee charged if appropriate. If the information contains data about any third parties then the information will be released if it is reasonable to do so in line with the legislation, redacted i.e. personal data removed or a summary of the information provided.

1.5 Information released to a third party

Requests are sometimes received either in writing or via telephone from third parties to release personal information about employees, in all cases written permission of the individual must be given before this information is released, exception to this will be in certain circumstances where requests are made by statutory bodies for information.

1.5.1 Sports and Welfare

Such organisations were previously exempt from the Act, but must now comply, but are not required to register under the Data Protection Act 1998.

Whilst it is not necessary to notify the Information Commissioner of the personal data held, this does not exempt clubs from the first principle of the Act, that is, personal data shall be processed fairly and lawfully.

1.6 Requests for information

All other requests for information in whatever form, for example, paper records, computer records, tapes, and so on, should be forwarded through to the Data Protection Officer.

If a request for information is received in a department, section or on a station it must be date stamped and forwarded immediately for the attention of the Data Protection Officer, Data Management Section, marked 'Confidential - Data Protection Request'. If possible, the request should be sent by e-mail.

The Data Protection Officer will be responsible for recording the request, obtaining the information from the relevant department, charging any appropriate fees and ensuring that the request is answered within the timescale. The timescale for response to requests for information is 40 days and the suggested fee is £10 but this is not always charged.

Requests for the disclosure of personal data related to the 'Transfer of Undertakings (Protection of Employment) Regulations' (TUPE) 2006 are the responsibility of PSS department. These need to be in line with TUPE and Data Protection Act 1998 requirements.

The Data Protection Officer will liaise with the department or station concerned for assistance in providing the information requested. It is imperative that information is provided in a timely manner to ensure that the specified timescales are met.

1.6.1 Requests for incident information

The Service receives enquiries from solicitors, loss adjusters, insurance companies and other interested parties for details of fires and other Fire Service activities. The intentions of the enquirer are often unknown or liable to change at a later date.

The Service is not entitled to release information about a data subject to any third party without the data subject's consent; there are a few exceptions, for example, data requested by the police to assist them with criminal investigations. Fire Service reports, in particular the Incident Recording System (IRS) Fire Report, contain information about persons involved in incidents and are therefore not to be released by fire stations.

All such requests must be submitted in writing by the party wishing to obtain the information. This is to be forwarded to the Central Administration team at e-mail Ref. AU/AC/12205182

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address InformationDisclosure@wmfs.net. A fee will usually be charged for this information.

1.6.2 Release of information for legal proceedings

When the Fire Service is involved in legal proceedings, the Civil Procedure Rules require that all relevant documents shall be disclosed to the other parties involved. This includes all documents which are, **or have been** in the possession, custody or power of the relevant party and which relate to any matter in question between the parties.

A request for such documentation will usually be made by the PSS Section to the relevant section, department or station. This request includes **all** relevant documents, including original or rough notes, and whether they are supportive or potentially damaging, so a thorough search must be made.

In general terms, it is likely that all available documentation is disclosable and therefore, personnel should forward all documents, which will be considered by the Service's advisors before disclosure.

If original documents are forwarded, copies should be taken and preserved by the forwarding party. Where copies of documents are forwarded, care must be taken to ensure the best possible quality copy is obtained.

Stringent time limits are imposed for disclosure of documentation. Hence it is vital that all documents are forwarded, as soon as possible after the request has been made.

1.6.3 Definition of documents (legal proceedings)

As all relevant documentation should be disclosed, it is not possible to provide a definitive list. However, for the purposes of this order, examples include: **all** paper records, written or printed, reports – including IRS and narratives (where provided), internal and external memoranda, accounts, invoices and contracts, any information held on computer or other mode of electronic storage, for example, e-mails, CD-ROM, diagrams, plans, maps, photographs and videos.

It should be noted that the marking of any disclosable document 'confidential' or 'personal' does not necessarily preclude disclosure in respect of legal proceedings.

The requirements of this standing order emphasise the importance of maintaining comprehensive and accurate filing systems, as the implications of non-disclosure of relevant documents are far reaching.

1.6.4 Information received or requested from the police about employees

On occasions, the Service maybe contacted by police officers, who have either requested personal information about employees, or have notified the Service that employees have been arrested or involved in incidents to which the police have been called. The Fire Service is not a 'notifiable occupation' for disclosing convictions of persons for certain employers.

Therefore, the following procedure will be adopted upon receipt of such requests from the police, or where information is received about individual employees:

- Where the police request information from a station, the officer in charge should only confirm whether or not an individual is employed at the station
- Any requests for further information about employees should be refused and the requesting police officer referred to the duty principal command officer via Fire Control. The Service will then only release personal details where a serious crime is being investigated or where a warrant has been issued
- Information will only be released after receipt of the police force's standard disclosure form
- Employees are obliged to notify the Service if they have been charged with a criminal offence, (senior officers do not visit police stations if informed by the police that an individual has been detained or questioned whilst off duty). The Service does provide welfare support should individuals require it; this should be discussed with the Line Manager
- Personnel who are being questioned or detained by the Police and who would be unable to report for duty as a result, should request the police to contact Fire Control and inform the duty officer that they will be unable to attend for duty. The duty principal command officer will then be informed and will take appropriate action
- Requests from the police for copies of recordings from Fire Control will be managed and actioned by Fire Control. The procedure is detailed in Fire Control

1.7 Data Protection Breaches

It is important to understand if personal data is not handled correctly, there must be processes in place to contain and recover, assess the ongoing risk, notify appropriate parties of the breach and evaluate and respond to the data protection breach.

These are some examples of security incidents that may lead to the loss or compromise of personal data;

- Loss or theft of data or equipment on which data is stored;
- Inappropriate access controls allowing unauthorized use;
- Equipment failure;
- Human error;
- Unforeseen circumstances such as a fire or flood;
- Hacking attack;
- 'Blagging' offences where information is obtained by deceiving the organisation who holds it

The above are examples of events that may lead to a data protection breach but if you are unsure then please seek further advice from the Data Manager.

1.7.1 Data Protection Breach Process

If you are involved in an incident as defined in the examples above or determined by the Data Manager as a data protection breach, then you must:

1. Contact the ICT Service Desk on 0121 380 6666 to record the event as a data protection breach.
2. The ICT Service Desk will liaise with the Data Manager to determine the course of action to manage the incident.
3. The SIRO and relevant SET members will be notified of incident via an initial report.
4. The Data Manager will manage the incident to conclusion and ensure that a log of the incident and all actions taken is maintained to identify trends or areas of weakness.
5. Post incident, an investigation will be instigated and the outcomes will be reported to the SIRO and members of SET.

Management reports on data breaches will be sent out periodically to the SIRO and SET to ensure management are aware of potential risks to the authority.

2. *Schedule 2 Conditions (Data Protection Act 1998)*

Schedules 2 and 3 set out specific conditions that have to be met before processing of personal data can take place; these relate to the first of the 8 principles. The conditions are different for sensitive data and non-sensitive data.

Broadly, **non-sensitive data** is not to be processed unless at least **one** of the following conditions has been met:

- The data subject has given their consent to the processing
- The processing is **necessary** for the performance of a contract to which the data subject is party (the employment contract), or for taking steps to enter into such a contract
- The Data Controller has to process the information in order to comply with non-contractual legal obligations (such as health and safety obligations)
- The processing is **necessary** to protect the vital interests of the data subject
- The processing is **necessary** for the administration of justice, exercise of crown functions, or the exercise of any other functions of a public nature exercised in the public interest
- The processing is **necessary** for the purposes of legitimate interests pursued by the data controller or by the third party or parties to whom the data is disclosed, except where the processing is unwarranted in any particular case because of prejudice to the rights and freedoms or legitimate interests of the data subject. The Secretary of State may by order specify particular circumstances in which this condition is, or is not, to be taken to be satisfied

3. Schedule 3 Conditions (Data Protection Act 1998)

In the case of sensitive data, processing is permitted only if at least one of the following conditions is met:

- The data is of sensitive personal nature consisting of information as to racial or ethnic origin
- The individual has given their explicit consent to the processing
- The processing is necessary for the purposes of exercising or performing any right conferred or obligation imposed by law on the Data Controller in connection with employment
- The processing is necessary to protect the vital interests of the individual in a case where either the consent cannot be given (incapacity, for example) or else the Data Controller cannot reasonably be expected to obtain consent (for example, the individual cannot be contacted despite various attempts over a considerable length of time)
- The processing is carried out in the course of its legitimate activities by anybody or association not established for profit and which exists for political, philosophical or trade union purposes, and which relates only to individuals who are members of that body
- The individual has already made the information public, by taking deliberate steps
- The processing is necessary for the purpose of or in connection with legal proceedings, obtaining legal advice or establishing or exercising or defending legal rights
- The processing is necessary for the administration of justice or exercise of crown functions
- The processing is necessary for medical purposes and is undertaken by a health professional
- The personal data are processed in circumstances specified in an order made by the Secretary of State.

Information Commissioner's Office

The Information Commissioner's Office is the data protection regulator for the United Kingdom. Its responsibility is to publish guidance on and enforce compliance with the Data Protection Act 1998, Freedom of Information Act 2000, Environmental Information Regulations 2004 and the Electronic Information Regulations 2003.

4. Principles of the Data Protection Act 1998

4.1 Principle 1 - fair processing

The Data Protection Act 1998 states that the manager cannot hold personal data unless you meet at least one criterion from Schedules 2 and 3 of the Act.

If the organisation does not meet at least one criterion, then there will be in breach of the Act.

Personal data shall be processed fairly and lawfully and, in particular, shall not be processed unless:

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- at least one of the conditions is met
- in the case of sensitive personal data, at least one of the conditions is also met

Any activity whatsoever that involves personal information – held electronically or manually, such as obtaining, recording, holding, disseminating or making available the information, or carrying out any operation or set of operations on the information. It includes organising, adapting, amending and processing the information, retrieval, consultation, disclosure, erasure or destruction of the information. **It is difficult to envisage any activity which does not amount to processing and consideration should be given to conducting a Privacy Impact Assessment (PIA) when embarking on projects and/or activities that may involve processing personal data.**

If the organisation or the employee holds any data that matches any of the above criteria, then they will have to legitimise why they are holding this data. The organisation or employee will also be in breach of the Act if it cannot legitimise the reason for holding the data even if it does match one of the criteria. If data controllers or data users are at all unsure regarding what is a legitimate reason for holding the data, they should seek the advice of the Data Protection Officer.

The processing of data for the purposes of carrying out of 'directed' and intrusive covert surveillance; the use of covert human intelligence sources; the interception of communications; and the acquisition and disclosure of communications data is covered under the Regulation of Investigatory Powers Act 2000 (RIPA).

4.1.1 Principle 2 - compatible purposes

Personal data shall be obtained for only one or more specified and lawful purposes, and shall not be further processed in any manner incompatible with that purpose or those purposes.

4.1.2 Principle 3 - extent of data

Personal data shall be adequate, relevant and not excessive in relation to the purpose or purposes for which they are processed.

4.1.3 Principle 4 - data accuracy

Personal data shall be accurate and, where necessary, kept up to date.

4.1.4 Principle 5 - retention period

Personal data processed for any purpose or purposes shall not be kept for longer than is necessary for that purpose or purposes.

4.1.5 Principle 6 - Data Subject Rights

Personal data shall be processed in accordance with the rights of data subjects under this Act. Data subjects include service users, employees including temporary and volunteers and those communities we serve.

The rights that are applicable to all data subjects are:

- Right to be informed that processing is being undertaken

- Right to access personal data
- Right to prevent processing in certain circumstances
- Right to rectify, block or erase data
- Right to claim compensation for certain breaches of the Act

4.1.6 Principle 7 - security and management of data

Appropriate technical and organisational measures shall be taken against unauthorised or unlawful processing of personal data and against accidental loss of, destruction of, or damage to personal data.

4.1.7 Principle 8 - foreign data transfer

Personal data shall not be transferred to a country or territory outside the European Community unless that country or territory ensures an adequate level of protection for the rights and freedoms of data subjects in relation to the processing of personal data.

4.2 PERSONAL INFORMATION

Personal information can be obtained from a number of sources, from the employee themselves, from the circumstances of their employment for example, salary information, from their progression through the organisation or from development, training and assessment situations.

This information then allows the organisation to plan and formulate policies and strategies and, in some instances, to conform to legislative requirements. Planning, policy and strategy formulation depends on information which is effective and accurate and will enable the organisation to recruit, train and develop employees to their full potential, to be as effective as possible within the organisation and to provide good service to our community.

It is the intention of the Service to hold information electronically where possible, in preference for paper based records.

Personal information on an employee must be held and maintained for a legitimate purpose which could include:

- As part of the recruitment process;
- To ensure a full and accurate account of the individual's employment history;
- To ensure payment of the correct level of salary, pension, and sick pay;
- To ensure that the proper levels of training are conducted for the specific role;
- To ensure emergency contact details are available;
- To provide the organisation with data from which management information can be obtained enabling policy and strategy formulation;
- To comply with legal obligations; and
- Equality and diversity monitoring.

If information is withheld or not updated an employee may not receive benefits to which they are entitled.

Personal Record File contents

Computerised Personal Record File

A computerised Personal Record File will hold the following information:

Type of information	Content	Purpose		Duration held
Employment	<p>Original application form</p> <p>Employment references</p> <p>Qualification certificates</p> <p>Contract of employment (inc. relevant role profile)</p> <p>Next of kin information</p> <p>Details of promotion, and successful applications</p> <p>Transfers, successful requests and requests refused</p>	<p>Recruitment</p> <p>Recruitment</p> <p>Recruitment</p> <p>Recruitment</p> <p>Emergency contacts</p> <p>Career progression</p> <p>Equality and Diversity monitoring</p>		Minimum duration life of employment and 6 years after.
Attendance	<p>Sickness record, PR25, Doctor's certificates</p> <p>Exemptions granted</p> <p>Correspondence issued under the Attendance Management Policy</p>	<p>Sickness payments</p> <p>Management of attendance</p> <p>Maternity</p>		Minimum duration life of employment and 6 years after.

	<p>Copies of injury reports</p> <p>Attendance record cards</p> <p>Maternity leave applications</p> <p>Applications for special leave</p> <p>Parental leave applications</p> <p>Paternity leave applications</p> <p>Adoption leave applications</p> <p>PR12 Injury Report Forms</p>	<p>payments</p> <p>Management of attendance and appropriate payments</p> <p>Accident information</p>		
Training	<p>Training courses nominations and results of attendance</p> <p>Examination results</p> <p>Application for post entry training</p> <p>Qualification certificates</p>	<p>Job competency and development</p> <p>Development</p> <p>Requirement of post entry training funding</p> <p>Development</p>		Minimum duration life of employment and 6 years after.
Performance	<p>Assessments/ advice/monitoring of performance</p> <p>IPDR form</p>	<p>Management of performance</p> <p>Personal development and review</p>	Minimum duration life of employment and 6 years after	

Awards/ Achievements	Compliments, Letters of thanks Achievements Letters of commendation	Personal achievement	Minimum duration life of employment and 6 years after	
Discipline	Records of any disciplinary action taken, and associated papers where necessary	Management of discipline	Minimum duration life of employment and 6 years after	
General Correspondence	General correspondence that does not fall within any of the categories above.	For example 'Request for reference'	Minimum duration life of employment and 6 years after	

Local Personal Record File

A Personal Record File maintained at the location of the individual must only contain the following items of information:

Section	Content	Purpose	Duration held
Training records	Permit to work	Job competency and development	Duration of employment
Performance	Assessments or warnings on performance IPDR	Management of Performance Personal development and review	Until end of warning of monitoring or improvement (then sent to PSS for PRF held for duration of employment) Duration of employment
Attendance Management Information	Absence data	Monitoring	Duration of employment?

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

Item 6

AUDIT COMMITTEE

4 JUNE 2018

1. **ANNUAL INTERNAL AUDIT REPORT – 2017/18**

Report of the Audit Services Manager.

RECOMMENDED

THAT the Annual Internal Audit report for 2017/18 be approved.

2. **PURPOSE OF REPORT.**

2.1 This report is submitted for member comment and approval

3. **BACKGROUND**

3.1 The attached report details the work of the internal audit service undertaken in 2017/18. It provides an opinion on the adequacy and effectiveness of the Authority's governance, risk management and internal control processes.

3.2 The contents of the report also provide one element of the evidence that is required to underpin the Authority's Governance Statement.

3.3 It summarises the audit work undertaken during the year in a tabular format, this includes:

- the areas subject to review during the year (Auditable Area)
- the level of risk to the Authority assigned to each auditable area (high, medium or low)
- the number of recommendations made as a result of each audit review
- details of any other work undertaken outside of the original plan

Finally it provides a summary of the key control issues that arose during the year.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out. The matters contained in this report will not lead to and/or do not relate to a policy change.

5. **LEGAL IMPLICATIONS**

The Accounts and Audit Regulations Act states that a relevant body must “maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices”.

6. **FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from this report.

7. **BACKGROUND PAPERS**

Annual Internal Audit Report 2017/18.

Peter Farrow
Audit Services Manager, Sandwell MBC

Annual Internal Audit Report 2017/18

Audit Committee – 4 June 2018



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2	Internal Audit Opinion	4
3	Performance of the Audit Service	5
4	Summary of Work Undertaken & Key Issues Arising	7

1 Introduction

- 1.1 Our internal audit work for the period from 1 April 2017 to 31 March 2018 was carried out in accordance with the approved internal audit plan. The plan was constructed in such a way as to allow us to make a statement on the adequacy and effectiveness of the Authority's governance, risk management and control processes.

In this way, our annual report provides one element of the evidence that underpins the Governance Statement the Authority is required to make within its annual financial statements. This is only one aspect of the assurances available to the Authority as to the adequacy of governance, risk management and control processes. Other sources of assurance on which the Authority may rely could include:

- The work of the External Auditors (currently Grant Thornton)
- The result of any quality accreditation
- The outcome of visits by HMRC
- Other pieces of consultancy or third-party work designed to alert the Authority to areas of improvement
- Other external review agencies

- 1.2 The definition of internal audit, as described in the Public Sector Internal Audit Standards, is set out below:

"Internal auditing is 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."

Overall Assurance

- 1.3 As the providers of internal audit, we are required to provide the Authority with an opinion on the adequacy and effectiveness of the governance, risk management and control processes. In giving our opinion, it should be noted that assurance can never be absolute. The most that internal audit can provide is reasonable assurance that there are no major weaknesses in the Authority's governance, risk management and control processes. In assessing the level of assurance to be given, we have considered:
- All audits undertaken for the year ended 31 March 2018;
 - Any follow-up action taken in respect of audits from previous periods;
 - Any fundamental or significant recommendations not accepted by management and the consequent risks;
 - Any limitations which may have been placed on the scope of internal audit; and
 - The extent to which any resource constraints may impinge on the ability to meet the full audit needs of the Authority.

2 Internal Audit Opinion

- 2.1 We have conducted our audits in accordance with the Public Sector Internal Audit Standards. Within the context of the parameters set out in paragraph 1.3 above, our opinion is as follows:
- 2.2 Based on the work undertaken during the year and the implementation by management of the recommendations made, Internal Audit can provide ***reasonable assurance** that the Fire Authority has an adequate and effective framework of governance, risk management and control.

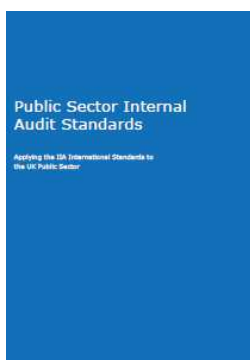
*We are pleased to report that this is an unqualified opinion and the highest level of assurance available to Audit Services. As stated in paragraph 1.3 “In giving our opinion it should be noted that assurance can never be absolute. The most that internal audit can provide is reasonable assurance that there are no major weaknesses in the Authority’s governance, risk management and control processes”.

Factors Influencing the Opinion and Issues Relevant to the Statement on Internal Control

- 2.3 In reaching this opinion, the following factors were taken into consideration:
- The need for management to plan appropriate and timely action to implement both our and the External Auditor’s recommendations.
 - Key areas of significance, identified as a result of our audit work performed in year, are detailed in the Appendix to this report.
- 2.4 The overall opinion can be used by the Authority in the preparation of the Governance Statement.
- 2.5 Internal audit activity is organisationally independent and further details behind the framework within which internal audit operates, can be found in the internal audit charter.

3 Performance of the Audit Service

Compliance with the Public Sector Internal Audit Standards



During the year we complied with the Public Sector Internal Audit Standards, which specify rules of conduct for objectivity, due professional care and confidentiality.

Customer Satisfaction

Customer satisfaction questionnaires are issued for all audits. From the responses returned, the average scores were as follows:

Question	2017/18
Usefulness of audit	4.4
Value of recommendations	4.5
Usefulness of initial discussions	4.4
Fulfilment of scope & objectives	4.6
Clarity of report	4.7
Accuracy of findings	4.6
Presentation of report	4.5
Time span of audit	4.3
Timeliness of audit report	4.3
Consultation on findings/recommendations	4.7
Helpfulness of auditors	4.6
Overall Satisfaction with Audit Services	4.5

Scores range between 1 = Poor and 5 = very good. We have a target of achieving on average a score of **4 = good**.

Quality Assurance and Improvement Programme

Sandwell Audit Services have a Quality Assurance and Improvement Programme. During the year, the internal audit activity has followed this programme and there have been no significant areas of non-conformance or deviations from the standards as set out in the Public Sector Internal Audit Standards.

Staff are recruited, trained and provided with opportunities for continuing professional development. Staff are also supported to undertake relevant professional qualifications. All staff are subject to a formal staff appraisal process, which leads to an identification of training needs. In this way, we ensure that staff are suitably skilled to deliver the internal audit service. This includes the delivery of specialist skills which are provided by staff within the service with the relevant knowledge, skills and experience.

Advice and assistance

Finally, throughout the year we provide ongoing advice and assistance to all areas of the Authority on internal control and related issues, including on the development of an assurance framework.

4 Summary of Work Completed to inform the 2017/18 Internal Audit Opinion

A detailed written report and action plan is prepared and issued for every internal audit review. The responsible officer will be asked to respond to the report by completing and returning the action plan. This response must show what actions have been taken or are planned in relation to each recommendation. If the recommendation is not accepted, this must also be stated. Audit Services are responsible for assessing whether the managers response is adequate.

Where appropriate, each report we issue during the year is given an overall opinion based on the following criteria:

	Level	System Adequacy	Control Application
(positive opinions)	Substantial Assurance	Robust framework of controls ensures objectives are likely to be achieved.	Controls are applied continuously or with minor lapses.
	Satisfactory Assurance	Sufficient framework of key controls for objectives to be achieved, but control framework could be stronger.	Controls are applied, but with some lapses.
(negative opinion)	Limited Assurance	Risk of objectives not being achieved due to the absence of key internal controls.	Significant breakdown in the application of controls.

This is based upon the number and type of recommendations we make in each report. Each recommendation is categorised in line with the following:

Fundamental	Action is imperative to ensure that the objectives for the area under review are met.
Significant	Requires action to avoid exposure to significant risks in achieving the objectives for the area under review.
Merits attention	Action advised to enhance control or improve operational efficiency.

During the year we made the following number of recommendations:

Fundamental	1
Significant	8
Merits attention	6
Total	15

The following appendices/tables below list all the reports issued by internal audit during 2017/18, alongside their original Assessment of Assurance Need (AAN) risk score, the number and type of recommendations made, whether those recommendations have been accepted and an overall level of assurance for each review.

Summary of Internal Audit Work Completed for the 2017/18 Internal Audit Opinion

Auditable Area	ANA Rating	Recommendations					Level of Assurance
		Fundamental	Significant	Merits attention	Total	Number accepted	
Risk Management	High	-	-	-	-	-	Substantial
Fixed Asset Accounting	KFS	-	-	-	-	-	Substantial
Fire Stations – Management of Fuel	Medium	-	3	2	5	draft	Satisfactory
Accounts Receivable	KFS	-	1	-	1	1	Substantial
Partnerships	Medium	-	2	2	4	4	Satisfactory
Accounts Payable	KFS	-	-	-	-	-	Substantial
Absence Management	Medium	1	1	-	2	2	Limited
Budgetary Control	KFS	-	-	-	-	-	Substantial
Payroll	KFS	-	1	-	1	draft	Substantial
Governance	High	-	-	-	-	-	Substantial
Environmental Protection Targets	Medium	-	-	1	1	draft	Substantial
Data Protection/IT	High	-	-	-	-	-	Substantial
Pension Certification	High	-	-	-	-	-	Substantial
TOTAL		1	8	6	15		

Key	
KFS	Key Financial System (reviewed in line with External Audit requirements). Generally, this is also a high-risk review.

Key issues arising during the year

The following is a brief overview of the key issues identified during the year.

Risk Management

An audit of the risk management processes was undertaken. Our review focused on providing assurance that the mitigating controls for risk CR6 – relating to business continuity and preparedness, were being effectively operated and monitored. No issues of significance were identified.

Fixed Asset Accounting/Asset Planning

An audit of fixed asset accounting was undertaken in respect of planned capital expenditure. The review was undertaken to provide assurance that an appropriate process was in place to maintain details of fixed assets and to record them correctly in the accounts.

Fire Stations – Management of Fuel

The procedures for management of fuel are contained within Standing Order 9/1. The purpose of the review was to provide assurance on compliance with established controls relating to ordering, receipt and dispensing of fuel at a sample of stations.

Issues of significance identified related to:

- fuel being ordered when the tank was below the re-order level. In addition, it is a requirement that fuel is delivered within two days. This target was not always achieved. This exposes the authority to the risk of having insufficient fuel to provide the level of service required.
- it is a requirement of the standing order to report variances between fuel book stock and physical stock, which exceed 150 litres. Examples were found where such variances were not reported and as such, not investigated.

Accounts Receivable

A review of the accounts receivable system was undertaken to ensure that an effective system was in place for raising invoices and managing debtors. This included the integrity and reliability of charging information recorded in the accounts, the collection of payments and the process to monitor and report the debtor position. We identified one issue of significance relating to:

- appropriate checks were being undertaken by the authority to confirm the validity of write-offs, but the authority's constitution states that only the Treasurer has the delegated authority to approve debt write-offs. Currently, this approval is not being formally provided.

Partnerships

A review was undertaken to provide assurance that partnership agreements had been properly established and that effective governance and monitoring arrangements were in place to ensure that expected outcomes were achieved. We identified two issues of significance relating to:

- the "Partnerships Governance Arrangements and Framework" document, which details the key processes to be followed in setting up a partnership, states that the Partnerships Team will undertake quality assurance checks and provide assurance that:

- each partnership agreement has clearly defined roles and responsibilities and strong governance arrangements in place.
- effective partnership monitoring arrangements are in operation.

These quality assurance checks had yet to commence. As such, there was a risk that the initial momentum generated by the Partnership Team could stall, resulting in a lack of consistency in approach by partnership facilitators and learning opportunities missed. Thus, undermining a key goal of the authority of establishing effective partnership arrangements.

- it is a policy of the authority, that as part of the governance and planning of all partnership arrangements and partnership activity, that as a minimum an Initial Equality Impact Assessment (IEIA) is undertaken. However, IEIAs were not being completed and the authority could therefore, be in breach of the Equality Act 2010. This could expose the authority to the risk of enforcement action being taken by the Equality and Human Rights Commission or result in a legal challenge.

Accounts Payable

A review of the accounts payable system was undertaken to ensure that adequate key controls were in place. Our review focused on the controls designed to prevent, overpayments, fraud and incorrect accounting. No issues of significance were identified.

Absence Management

A review was undertaken to provide assurance on the level of compliance with the requirements of the absence management policy. We identified one fundamental and one significant issue relating to:

- examples were found of managers uploading copies of fit notes to HMRS. The sharing of data without the specific consent of the employee is a breach of the data protection regulations and could lead to action being taken by the Information Commissioner's Office (ICO) and fines applied. The introduction of the new General Data Protection Regulations (GDPR), effective from 25 May 2018, will have a greater impact in terms of fines, as the maximum potential fine per breach will increase from £500,000 to £17million.
- during the review, one manager reported that they still received absence triggers/alerts in respect of staff for whom they no longer had operational responsibility. Again, the sharing of this data is a breach.

Budgetary Control

A review of the budgetary control system was undertaken to ensure the Fire Service had established its budget and was managing it appropriately. Our review covered controls over monitoring, reporting, changes to budgets and the process to link budgets to medium and long-term plans.

Payroll

A review of the payroll process was undertaken to ensure that the Fire Service had appropriate controls in place to mitigate the risk of fraud and error in the calculation, recording and payment of the payroll. We identified one issue of significance relating to:

- the Human Resources section did not have formal procedure notes which detailed the process for obtaining and evidencing approval for new starters.

Governance

A review of three of the seven principles detailed in the CIPFA/SOLACE model:

- 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.

was undertaken to provide assurance on the level of compliance, plus a follow up on the significant issue identified during the 2016/17 review. No issues of significance were identified and the action from the previous review had been implemented.

Environmental Protection Targets

A review was undertaken to provide assurance on the progress made towards implementing an Environmental Management System or the equivalent strategies put in place to further advance the Authority's environmental initiatives. No issues of significance were identified and the Authority has made good progress in reducing its carbon footprint.

Data Protection/IT

An audit of Data Protection was undertaken as part of the approved Internal Audit Plan for 2016/17. This audit identified a number of significant issues relating to the education of employees on the importance of data protection and the lack of clear processes and procedures for identifying, reporting and monitoring data breaches. As part of the Internal Audit Plan for 2017/18, a follow up exercise was undertaken to provide assurance that the key actions had been implemented. The review identified that significant improvements had been made and there were clear processes in place to educate staff and to identify, report, monitor and address data breaches.

Pension Certification

An audit was undertaken to assist with the provision of assurance on the accuracy of the 2016/17 return to the Local Government Pension Scheme. All tests proved satisfactory.

Other areas of assistance provided

Audit Committee – Self Assessment of Good Practice and Effectiveness

The Audit Committee commenced a self-assessment of good practice and effectiveness exercise, based on the model provided by the Chartered Institute of Public Finance and Accountancy (CIPFA) in their Audit Committees – Practical Guidance for Local Authorities. We are facilitating this exercise.

CIPFA – Audit Committee Updates

We continue to present the regular CIPFA Audit Committee Updates to the Audit Committee.

Audit Committee – Terms of Reference

We submitted the Audit Committee Terms of Reference for annual review at the March 2018 meeting of the Audit Committee.

Internal Audit Plan 2018/19

We submitted the Internal Audit annual plan for 2018/19 to the committee for approval at the March 2018 meeting.

Internal Audit Annual Report 2016/17

We presented the Internal Audit annual report for 2016/17 to the committee for comment and approval at the June 2017 meeting.

Audit Committee Annual Report

We provided assistance in the preparation of the Annual Report of the Chair, on the work of the Audit Committee.

Counter Fraud

We continue to lead on the Cabinet Office's National Fraud Initiative and their other associated fraud related activity (such as the Annual Fraud Survey), on behalf of the Authority and to provide the main point of contact for any investigations into potential fraudulent activity.

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT COMMITTEE

4 JUNE 2018

1. **ANNUAL REPORT OF THE AUDIT COMMITTEE 2017/18**

Report of the Chair of the Audit Committee.

RECOMMENDED

That the Committee gives consideration to the content and format of its Annual Report 2017/18 for submission to the next full meeting of the Authority.

2. **PURPOSE OF REPORT**

This report is submitted to members to seek approval to the Annual Report of the Audit Committee 2017/2018

3. **BACKGROUND**

- 3.1 In order for the Authority to be fully effective in comprehending and assessing the control environment within which West Midlands Fire Service operates, the Audit Committee present an annual report of its activities to the Authority.
- 3.2 A draft Annual Report for 2017/18 has been prepared by the Chair of the Audit Committee and is attached for comments by the Committee in preparation for submission of the report to the next Authority meeting.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out because the matters contained in this report do not relate to a policy change.

5. **LEGAL IMPLICATIONS**

The Authority has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

The Accounts and Audit Regulations Act states that a relevant body must “maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices”.

6. **FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from this report.

BACKGROUND PAPERS

Annual Internal Audit Report 2017/18.

Chair of the Audit Committee

Annual Report of the Audit Committee 2017/18

1. Background

The Audit Committee was established by the Fire Authority in January 2008. Its purpose is to provide:

- independent assurance on the adequacy of the risk management framework and the associated control environment,
- independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment, and to
- oversee the financial reporting process.

The key benefits of the Committee can be seen as:

- Increasing public confidence in the objectivity and fairness of financial and other reporting.
- Reinforcing the importance and independence of internal and external audit and similar review processes.
- Providing additional assurance through a process of independent review.
- Raising awareness of the need for internal control and the implementation of audit recommendations.

The Terms of Reference for the Committee can be found at Appendix A of this report.

2. Meetings

During 2017/18 the Committee met on the following dates:

- 12 June 2017
- 24 July 2017
- 4 September 2017
- 13 November 2017
- 19 December 2017
- 15 January 2018
- 26 March 2018

3. Committee members and attendance record

	12/06/17	24/07/17	4/09/17	13/11/17	19/12/17	15/01/18	26/03/18
Councillor T Singh	√	√	√	√	√	√	√
Councillor Williams	NA	√	√	√	X	√	√
Councillor Cartwright*	√	X	X	X	X	√	X
Councillor Aston	X	√	√	X	√	X	√
Councillor Idrees	√	√	√	√	√	√	√
Councillor P Singh	X	√	√	√	√	√	√
Councillor Sealey	√	X	√	√	√	√	√
Mr M Ager	X	√	√	√	√	√	√

* Substitute

4. The Committee's business

During the year the Committee conducted the following business:

Governance Statement – 2016/17
Corporate Risk – Regular Updates
Audit Committee Annual Report – 2016/17
Audit Committee – Terms of Reference Review
Audit Committee – Self Assessment
Audit Committee Work Programme
Statement of Accounts 2016/17

CIPFA Audit Committee Update
Updates on Topical, Legal and Regulatory Issues
Treasury Management Annual Report – 2016/17 (and Mid-Year Review)
Monitoring Policies on Raising Concerns at Work – Whistleblowing Policy

External Audit Plan 2017/18
External Audit Findings Report
External Audit – Annual Audit Letter 2016/17
External Audit – Audit Committee Update
External Audit – Communication with the Audit Committee

Internal Audit Annual Report - 2016/17
Internal Audit Progress Reports
Internal Audit Charter – Annual Review
Internal Audit Plan – 2017/18

The Pension Regulator – Scheme Return
Pension Board Amended Terms of Reference
Pension Board Annual Report 2016/17
Notes of the Pension Board
Decision on Qualifying Injury
Update on Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services

5. Conclusion

The Committee was able to confirm:

- That the system of internal control, governance and risk management in the Fire Authority was adequate in identifying risks and allowing the Fire Authority to understand the appropriate management of these risks.
- That there were no areas of significant duplication or omission in the systems of internal control, governance and risk management that had come to the Committee's attention, and had not been adequately resolved.

6. Sources of assurance

The Committee gained assurance in order to produce the above conclusion, from the following sources:

The work of Internal Audit

The Internal Auditors gave the following opinion in their Annual Report for 2017/18:

*Based on the work undertaken during the year and the implementation by management of the recommendations made, Internal Audit can provide *reasonable assurance that the Fire Authority has adequate and effective governance, risk management and internal control processes. *We are pleased to report that this is an unqualified opinion and the highest level of assurance available to Audit Services. In giving our opinion it should be noted that assurance can never be absolute. The most that internal audit can provide is reasonable assurance that there are no major weaknesses in the Authority's governance, risk management and control processes".*

The work of the External Auditors

During the year the external auditors (Grant Thornton) reported back to the Audit Committee on a number of occasions as detailed in section 4 above. No issues of any significant concern were raised.

The Governance Statement

The Governance Statement operated throughout the year ended 31 March 2018 and up to the date of the approval of the annual report and accounts. The systems to ensure the management of the risks have been shown to be sound.

Risk Management

The Committee regularly receives and reviews the Fire Authority's Corporate Risk Register, and assesses the assurance provided in order to demonstrate how risks are being mitigated.

7. The Committee's main achievements

The Committee believes its key achievements during the year were:

- Continuing to build a good working relationship with the Authority's external auditors Grant Thornton.
- Receiving and reviewing a number of useful sector updates from the external auditors.
- Reviewing the Committee's Terms of Reference and the Internal Audit Charter in order to ensure they remain fit for purpose.
- Providing additional assurance through a process of on-going independent review.
- Raising the profile of internal control issues across the Authority and of the need to ensure that audit recommendations are implemented.
- Regular consideration and review of the Authority's Risk Register and accompanying assurances.
- Building the skills and knowledge of Committee members through regular technical updates and the consideration of related guidance issued by CIPFA.
- The continued presence of an independent member in order to broaden the Committee's experience and independent view point.
- A key role in overseeing the work of the Pensions Board

Terms of Reference for the Committee

Terms of Reference were reviewed in order to ensure that they remained fit for purpose, and that they reflected guidance provided in the Chartered Institute of Public Finance and Accountancy (CIPFA) Audit Committees – Practical Guidance for Local Authorities 2013 Edition:

Statement of purpose

Our Audit Committee is a key component of the Authority's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

The purpose of our Audit Committee is to provide independent assurance to the Members of the adequacy of the risk management framework and the internal control environment. It provides independent review of the governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

Governance, Risk and Control

To review the Authority's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.

To review the annual governance statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and control.

To consider the Authority's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.

To consider the Authority's framework of assurance and ensure that it adequately addresses the risks and priorities of the Authority.

To monitor the effective development and operation of risk management in the Authority.

To monitor progress in addressing risk-related issues reported to the Committee.

To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.

To review the assessment of fraud risks and potential harm to the Authority from fraud and corruption.

To monitor the counter-fraud strategy, actions and resources.

Internal Audit

To approve the internal audit charter.

To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.

To approve risk based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.

To approve significant interim changes to the risk-based internal audit plan and resource requirements.

To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.

To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:

- Updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work;
- Regular reports on the results of the quality assurance and improvement programme;
- Reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards and Local Government Application Note, considering whether the non-conformance is significant enough that it must be included in the annual governance statement.

To consider the head of internal audit's annual report:

- The statement of the level of conformance with the Public Sector Internal Audit Standards and Local Government Application Note and the results of the quality assurance and improvement programme that supports the statement - these will indicate the reliability of the conclusions of internal audit.
- The opinion on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and control together with the summary of the work supporting the opinion - these will assist the committee in reviewing the annual governance statement.

To consider summaries of specific internal audit reports as requested.

To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.

To contribute to the quality assurance and improvement programme and in particular, to the external quality assessment of internal audit that takes place at least once every five years.

To consider a report on the effectiveness of internal audit to support the annual governance statement, where required to do so by the Accounts and Audit Regulations.

To support the development of effective communication with the head of internal audit.

External Audit (Grant Thornton)

To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.

To consider specific reports as agreed with the external auditor.

To comment on the scope and depth of external audit work and to ensure it gives value for money.

To commission work from internal and external audit.

To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

Financial Reporting

To review the annual statement of accounts. 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.

To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Accountability arrangements

To report to those charged with governance on the Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.

To report to full Authority on a regular basis on the Committee's performance in relation to the terms of reference, and the effectiveness of the Committee in meeting its purpose.

Pension Board

To have delegated responsibility as Scheme Manager for making decisions in the management and administration of the firefighters' pension schemes. The pensions board assists the Audit Committee in the role as Scheme Manager to secure compliance with regulations relating to Governance and Administration.

To submit its minutes and Annual Report to the Authority.

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

Item 8

AUDIT COMMITTEE

4 JUNE 2018

1. PENSIONS BOARD – AMENDED TERMS OF REFERENCE

Report of the Chair of the Pensions Board.

RECOMMENDED

That the Audit Committee as Scheme Manager approve the amended Terms of Reference for the West Midlands Fire and Rescue Authority – Pension Board.

2. PURPOSE OF REPORT

This report seeks approval of the amended Terms of Reference for the West Midlands Fire and Rescue Authority (WMFRA) Local Pension Board. The amended Terms of Reference are attached at Appendix 1.

3. BACKGROUND

- 3.1 The Audit Committee as Scheme Manager, has delegated its responsibility for ensuring the effective and efficient governance and administration of the Firefighters Pension Scheme for the West Midlands Fire and Rescue Authority to the Pension Board.
- 3.2 The Pension Board assists the Scheme Manager to secure the effective and efficient governance and administration of the Pension Scheme for the West Midlands Fire and Rescue Authority.
- 3.3 The Pension Board was set up in 2015, and the Terms of Reference have therefore been reviewed by Members of the Pension Board to ensure that they remain fit for purpose.

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3.4 The proposed changes as highlighted in the Appendix are as follows:

3.4.1 The Pension Board shall consist of 7(5) members and be constituted as follows:

3.4.2 There will now be 3(2) employer representatives and 3(2) scheme member representatives elected, of which, one should be a retired member.

3.4.3 The Chair of the Pension Board will be determined by the Scheme Manager.

3.4.4 Other than by ceasing to be eligible as set out above, a Board member may only be removed from office during a term of appointment by:

- Scheme Member representatives – recommendation by other scheme member representatives and unanimous agreement of all of the other Members.
- Employer representatives by the decision of the Service or on leaving the employment of the Service.

3.4.5 The Board shall have a formal quorum when at least one scheme member representative and one employer representative are in attendance.

In the absence of the Independent Chair, a Chair person will be selection on a rotational basis between the scheme member and employer representatives.

3.4.6 There will be four (two) Pension Board meetings a year to be held quarterly (six monthly)

3.4.7 Each elected/appointed member of the Pension Board will have an individual voting right, but it is expected the Pension Board will, as far as possible reach a consensus. The Independent Chair of the Pension Board will not have any voting rights.

3.4.8 Pension Board papers, agendas and minutes of meetings will be published on the West Midlands Fire and Rescue Authority website (CMIS). These may, at the discretion of the Scheme Manager, be edited to exclude items on the grounds that they are deemed as being confidential for the purposes of the Data Protection Act 1998, and other relevant data protection legislation (such as General Data Protection Regulations).

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out because the matters contained in this report do not relate to a policy change.

5. **LEGAL IMPLICATIONS**

The role of the local Pension Board as defined by section 5(1) and (2) of the Public Service Pensions Act 2013.

6. **FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from the contents of the report.

7. **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications arising from this report.

BACKGROUND PAPERS

Audit Committee 7 September 2015
Pension Board 20 July 2017
Meeting of Pension Board 24 April 2018

The contact officer for this report is Neil Chamberlain,
Independent Chair of the Pensions Board

**Terms of Reference for the Pension Board
of the West Midlands Fire & Rescue Authority**

Terms of Reference and Delegated Authorities

Introduction

This document outlines the terms of reference for the local Pension Board of the West Midlands Fire & Rescue Authority.

Role of the Pension Board

The role of the local Pension Board as defined by section 5(1) and (2) of the Public Service Pensions Act 2013 is to-

- Assist the Scheme Manager:
 - to secure compliance with the Scheme regulations and any other legislation relating to the governance and administration of the Firefighters' Pension Scheme ("the Scheme").
 - to secure compliance with requirements imposed in relation to the Scheme by the Pensions Regulator.
 - in such other matters as the Scheme regulations may specify.
- Secure the effective and efficient governance and administration of the Scheme for the West Midlands Fire & Rescue Authority.
- Provide the Scheme Manager with such information as it requires ensuring that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest.

The Pension Board will ensure it effectively and efficiently complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

The Pension Board will also ensure that the Scheme is managed and administered effectively and efficiently and complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

The Pension Board shall meet sufficiently regularly to discharge its duties and responsibilities effectively.

Appointment of Member of the Pension Board

The process for selecting members of the Pension Board is set out below:-

The Fire Service will consider matters such as who is eligible to stand, how the nomination process will work and what sort of information candidates will need to submit. The Service will appoint through election or selection with the rules of governing the process. The Fire Authority has an independent chair who will chair the Pension Board meetings, this role will be an independent role.

The Pension Board shall consist of 7 members and be constituted as follows:-

- i) 3 employer representatives, which have been identified, and appointed
- ii) 3 scheme member representatives, which have been identified, and elected and of which one should be a retired member
- iii) 1 independent chair selected.

Scheme member and employer representatives shall be appointed in equal number and shall together form the majority of the Board's membership.

The Chair of the Pension Board will be determined by the Scheme Manager. It will be the role of the Chair to ensure that all members of the Board show due respect for process, that all views are fully heard and considered and to determine when consensus has been met.

The term of office for the Chair will be determined by the Scheme Manager.

Each employer representative and scheme member representative so appointed shall serve for a fixed period (of up to three years) which can be extended for further period(s) subject to re-nomination and/or election.

Each Board Member should endeavour to attend all Board meetings during the year and is required to attend at least 2 meetings each year. In the event of consistent non-attendance by any Board member, then the tenure of that membership should be reviewed by the other Board members in liaison with the Scheme Manager.

Other than by ceasing to be eligible as set out above, a Board member may only be removed from office during a term of appointment by:

- Scheme Member representatives - recommendation by the other scheme member representatives and the unanimous agreement of all of the other members.
- Employer representatives by the decision of the Service or on leaving the employment of the Service.

- The removal of the independent member requires the consent of the Scheme Manager.

The Board may, with the approval of the Scheme Manager, co-opt persons who are not members of the Board to serve on sub committees, particularly where this would add skills and experience. Notwithstanding the appointment of co-opted members, the majority of the Board shall be comprised of employer and Scheme member representative, represented in equal number.

Quorum

The Board shall have a formal quorum when at least one **scheme member** representative and one employer representative are in attendance.

In the absence of the Independent Chair, a Chair person will be selected on a rotational basis between **the scheme member** and employer representatives.

Advisors and co-opted persons do not count towards the quorum.

Conflicts of Interest

The policy for identifying conflicts of interest is set out in a separate policy document. Any conflicts of interest that would prevent you from carrying out the role effectively will need to be highlighted to the Service.

Board Review Process

The Board will undertake at the first meeting of the year, a formal review process to assess how well it and its committees and the members are performing with a view to seeking continuous improvement in the Board's performance.

Advisers to the Board

The Board may be supported in its role and responsibilities through the appointment of advisers and shall, subject to any applicable regulation and legislation from time to time in force, consult with such advisers to the Board and on such terms as it shall see fit to help better perform its duties including:-

- A Governance Adviser.
- The Fund's Actuary.
- The Fund's Administrator.
- The Scheme Manager.
- Other advisers, so approved by the Scheme Manager.

The Board shall ensure that the performance of the advisers so appointed are reviewed on a regular basis.

Knowledge and Skills

The Code of Practice No. 14 Governance and Administration of public service pension schemes states “A member of the Pension Board must have a working knowledge and understanding of the law relating to pensions (and any other prescribed matters) sufficient for them to exercise the function of their role. Pension board members should be aware of the range and extent of the law relating to pensions which apply to their Scheme and have sufficient understanding of the content and effect of that law to recognise when and how it impacts on their responsibilities and duties”.

It is for individual Pension Board members to be satisfied that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Pension Board.

In line with this requirement Pension Board members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date. Pension Board members are therefore required to maintain a written record of relevant training and development.

Pension Board members should regularly review their skills, competencies and knowledge to identify gaps or weaknesses. Pension Board members will be expected to attend training to ensure that their knowledge and skills are maintained.

Board Meetings – Notice and Minutes

The Scheme Manager shall give notice to all Pension Board members of every meeting of the Pension Board. The Scheme Manager shall ensure that a formal record of Pension Board proceedings is maintained. Following the approval of the minutes by the Chair of the Board or Board Committee, they shall be circulated to all members of the Board and forwarded to the Scheme Manager.

There will be **four** two Pension Board meetings a year to be held **quarterly** six monthly. The minutes of the Pension Board will be approved by the Scheme Manager and shared with pension scheme members.

Remit of the Board

The Pension Board must assist the Scheme Manager with such other matters as the Scheme regulations may specify. It is for Scheme regulations and the Scheme Manager to determine precisely what the Pension Board's role entails.

Standards of Conduct

The role of Pension Board members requires the highest standards of conduct and therefore the 'seven principles of public life will be applied to all Pension Board members and embodied in their code of conduct.

These are:-

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership.

Decision Making

Each **elected/appointed** member of the Pension Board will have an individual voting right but it is expected the Pension Board will, as far as possible, reach a consensus. The Independent Chair of the Pension Board will not have voting rights.

Publication of Pension Board Information

Scheme Members and other interested parties will want to know that the Scheme is being efficiently and effectively managed. They will also want to be confident that the Pension Board is properly constituted, trained and competent in order to comply with Scheme regulations, the governance and administration of the Scheme and requirements of the Pension Regulator.

Up to date information will be posted on the West Midlands Fire & Rescue Authority website showing:-

- The names and information of the Pension Board members.
- How the Scheme members are represented on the Pension Board.
- The responsibilities of the Pension Board as a whole.
- The full terms of reference and policies of the Pension Board and how they operate.
- The Pension Board appointment process.
- Who each individual Pension Board member represents.
- Any specific roles and responsibilities of individual Pension Board members.

Pension Board papers, agendas and minutes of meetings will be published on the West Midlands Fire & Rescue Authority website (CMIS). These may at the discretion of the Scheme Manager be edited to exclude items on the grounds that they are deemed as being confidential for the purposes of the Data Protection Act 1998, and other relevant data protection legislation (such as General Data Protection Regulations).

The Scheme Manager will also consider requests for additional information to be published or made available to individual Scheme members to encourage Scheme member engagement and promote a culture of openness and transparency.

Accountability

The Pension Board will be collectively and individually accountable to the Scheme Manager.

Expense Reimbursement [Remuneration and Allowances]

There will be no specific remuneration for undertaking the role of representative on the Local Pension Board. However, travel expenses in line with public transport or car mileage may be claimed with a valid receipt.

Reporting Breaches

Pension Board members are required to report breaches of the law to the regulator where they believe there is a legal duty that has not or is not being complied with or the failure to comply will be of material significance to the Pensions Regulator in the exercise of its functions. Any breach brought to the attention of the Pension Board, whether potential or actual, shall be dealt with in accordance with the procedure set out in a separate policy document.

Definitions

The undernoted terms shall have the following meaning when used in this document.

"Pension Board" or Authority "Board"	Means the local Pension Board for the Fire as required under the Public Service Pensions Act 2013.
"Scheme Manager"	Means the West Midlands Fire & Rescue Authority as administering authority of the Pension Fund.
"Chair"	Reference to duties to be performed, or authorise exercised, by the Chair.
"Scheme"	Means the Firefighters' Pension Schemes.
"West Midlands Fire & Rescue Authority"	Means the West Midlands Fire & Rescue Authority.

Interpretation

Any uncertainty or ambiguity or interpretation required relating to any matters contained in this document shall be resolved by reference to the Scheme Manager.

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT COMMITTEE WORK PROGRAMME 2017/18

Date of Meeting	Item	Responsible Officer	Completed
2017			
24 July	Audit Findings 2016/17 Statement of Accounts 2016/17 (Approval) Treasury Management Annual Report 2016/17 Minutes of the Audit Committee held on 12 June 2017 Audit Committee Draft Work Plan 2017/18	Grant Thornton Grant Thornton Treasurer Democratic Officer Democratic Officer	
4 September	Corporate Risk Six Monthly Report Audit Committee Update Minutes of the Audit Committee held on 24 July 2017 Minutes of the Pension Board held on 20 July 2017 Work Programme 2017/18	Director of Service Support Grant Thornton Democratic Officer Democratic Officer	

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18 September [Authority]	Audit Findings 2016/17 Statement of Accounts 2016/17 (note)	Grant Thornton Treasurer	
13 November	Treasury Management – Mid year review 2017/18 Briefing on ESMCP Annual Audit Letter 2016/17 Audit Committee Update Internal Audit Progress Report Assessment of Good Practice and Effectiveness Pensionability of Temporary Allowance – Flexibility Allowance (Falls Response) The Pension Regulator - Scheme Returns 31 March 2017 - Firefighter Pension Schemes Minutes of the Audit Committee held on 4 September 2017 Audit Committee Work Plan	Treasurer DCFO Grant Thornton Grant Thornton Audit Manager Audit Manager DCFO DCFO Democratic Officer Democratic Officer	
19 December	Minutes of the Audit Committee held on 13 November 2017 Decision on Qualifying Injury	 DCFO	

(Official – WMFS – Public)

2018			
15 January 2018	Minutes of the Audit Committee held on 19 December 2017	Democratic Officer	
	Internal Audit Progress Report	Audit Manager	
	Internal Audit Charter – Annual Review	Audit Manager	
	Audit Committee Update	Grant Thornton	
	Assessment of Good Practice and Effectiveness	Audit Manager	
	Audit Committee Work Plan	Democratic Officer	
26 March 2018	Audit Committee Update	Grant Thornton	
	Communication with the Audit Committee for WMFRA	Grant Thornton	
	Audit Plan 2017/18	Grant Thornton	
	Internal Audit Plan 2017/18	Audit Manager	
	Audit Committee Terms of Reference	Audit Manager	
	External Audit Work Programme and Scale of Fees	Director of Service Support	
	Corporate Risk Report Six Monthly Update	Director of Service Support	

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	<p>Minutes of the Pensions Board held on 19 February 2018</p> <p>Minutes of the Audit Committee held on 15 January 2018</p> <p>Audit Committee Work Plan</p> <p><i>Committee Members' Private meeting with Internal Auditors (to follow Committee)</i></p>	<p>Pensions Board Representative</p> <p>Democratic Officer</p> <p>Democratic Officer</p> <p><i>Audit Manager</i></p>	
4 June 2018	<p>Annual Internal Audit Report 2017/18</p> <p>Governance Statement 2017/18</p> <p>Monitoring Policies and RIPA (Annual Whistleblowing Report)</p> <p>Annual Report of the Audit Committee for approval</p> <p>Audit Committee – Verbal Update</p> <p>Amendments to Pension Board Terms of References</p> <p>Minutes of the Audit Committee held on 26 March 2018</p> <p>Audit Committee Work Plan</p>	<p>Audit Manager</p> <p>Treasurer</p> <p>Monitoring Officer/Director of Service Support</p> <p>Chair</p> <p>Grant Thornton</p> <p>Member of Pensions Board?</p> <p>Democratic Officer</p> <p>Democratic Officer</p>	

(Official – WMFS – Public)

	<i>Committee Members' Private meeting with External Auditors</i> <i>Workshop for Members on Statement of Accounts 2017/18</i>	<i>Grant Thornton</i> <i>Treasurer</i>	
25 June 2018 [Authority]	Governance Statement 2017/2018 Audit Committee – Terms of Reference, Annual Review (will now be reported to the Authority's AGM) Annual Report of the Audit Committee 2017/18	Treasurer Clerk Chair	
23 July 2018 (Audit Committee 2018/19)	Audit Findings 2017/18 Statement of Accounts 2017/18 (Approval) Treasury Management Annual Report 2017/18 Audit Committee Draft Work Plan 2018/19	Grant Thornton Grant Thornton Treasurer Democratic Officer	

(Official – WMFS – Public)

