



HEREFORD & WORCESTER Fire Authority

Audit & Standards Committee

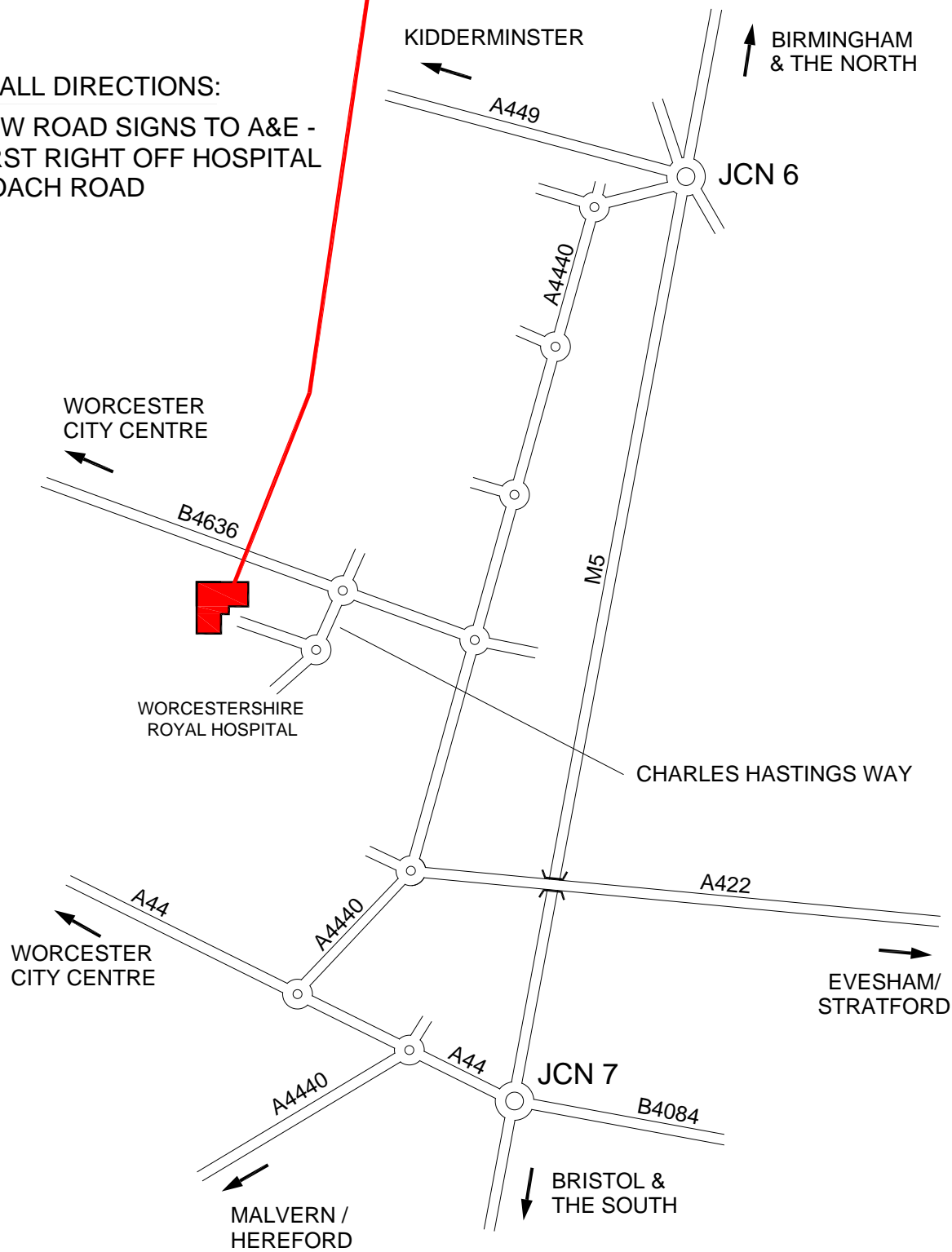
AGENDA

**Wednesday 22 January 2014
10.30 am**

Conference Suites 1, 2 & 3
Headquarters
2 Kings Court
Charles Hastings Way
Worcester
WR5 1JR

HEREFORD & WORCESTER FIRE AND RESCUE SERVICE
HEADQUARTERS
2 KINGS COURT
CHARLES HASTINGS WAY
WORCESTER. WR5 1JR
TEL: 0845 12 24454

FROM ALL DIRECTIONS:
FOLLOW ROAD SIGNS TO A&E -
HQ FIRST RIGHT OFF HOSPITAL
APPROACH ROAD



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(This will alert Control and other Personnel)
- 2 Tackle the fire with the appliances available – **IF SAFE TO DO SO**.
- 3 Proceed to the Assembly Point for a Roll Call –
CAR PARK OF THE OFFICE BUILDING ADJACENT TO THE CYCLE SHED TO THE LEFT OF THE ENTRANCE BARRIER TO 2 KINGS COURT.
- 4 Never re-enter the building – **GET OUT STAY OUT**.

ACTION ON HEARING THE ALARM

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- 2 Close all doors en route. The senior person present will ensure all personnel have left the room.
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- Automatic right to inspect minutes of the Authority and Committees (or summaries of business undertaken in private) for up to six years following the meeting.
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WELCOME AND GUIDE TO TODAY’S MEETING

These notes are written to assist you to follow the meeting. Decisions at the meeting will be taken by the **Councillors** who are democratically elected representatives and they will be advised by **Officers** who are paid professionals. The Fire and Rescue Authority comprises 25 Councillors and appoints committees to undertake various functions on behalf of the Authority. There are 19 Worcestershire County Councillors on the Authority and 6 Herefordshire Council Councillors.

Agenda Papers

Attached is the Agenda which is a summary of the issues to be discussed and the related reports by Officers.

Chairman

The Chairman, who is responsible for the proper conduct of the meeting, sits at the head of the table.

Officers

Accompanying the Chairman is the Chief Fire Officer and other Officers of the Fire and Rescue Authority who will advise on legal and procedural matters and record the proceedings. These include the Clerk and the Treasurer to the Authority.

The Business

The Chairman will conduct the business of the meeting. The items listed on the agenda will be discussed.

Decisions

At the end of the discussion on each item the Chairman will put any amendments or motions to the meeting and then ask the Councillors to vote. The Officers do not have a vote.

Agenda

Members:

Mrs L Duffy (Chair), Mr P Grove (Vice-Chairman)

Mrs P Agar, Mr M Broomfield, Mr S Cross, Mr A Fry, Mr P Gretton, Mrs A Hingley, Mr B Matthews, Mr S Peters, Prof J Raine, Mr P Sinclair-Knipe and Mr P Watts.

No.	Item	Pages
1.	Apologies for Absence To receive any apologies for absence.	
2.	Named Substitutes To receive details of any Member of the Authority nominated to attend the meeting in place of a Member of the Committee.	
3.	Declarations of Interests (if any) This item allows the Chairman to invite any Councillor to declare and interest in any of the items on this Agenda.	
4.	Confirmation of Minutes To confirm the minutes of the Audit and Standards Committee meeting held on 26 September 2013.	1 - 3
5.	Internal Audit Monitoring Report 2013/14 To provide the Audit Committee with an interim progress update on the 2013/14 plan delivery.	4 - 16
6.	Annual Audit Letter 2012/13 To present the Annual Audit Letter 2012/13 from the External Auditors, Grant Thornton UK LLP.	17 - 31
7.	External Audit Fee 2013/14 To apprise the Audit and Standards Committee of the audit fee for the Authority along with the scope and timing of work to be undertaken.	32 - 37

8. Informing the Audit Risk Assessment 2013/14	38 - 62
To make Members aware of the Audit Risk Assessment carried out by Grant Thornton UK LLP, the Authority's External Auditor, in deriving the External Audit Plan.	
9. Member Development Working Group Update	63 - 68
To advise Members of the proceedings of the Member Development Working Group meeting held on 1 October 2013.	



Minutes

Members Present

Mrs. L Duffy (Chairman), Mr P Grove (Vice-Chairman)
Mr M Broomfield, Mr A Fry, Mr P Gretton, Mrs A Hingley, Mr B Matthews,
Mr S Peters, Prof J Raine and Mr P Watts.

1 Apologies for Absence

Apologies for absence were received from Mr S Cross and Mr P Sinclair-Knipe.

2 Named Substitutes

No substitutes were appointed.

3 Declaration of Interests (if any)

No declarations of interest were made.

4 Confirmation of Minutes

RESOLVED that the minutes of the Audit Committee meeting held on 17 April 2013 and the minutes of the Standards Committee meeting held on 23 January 2013 be confirmed as a correct record and signed by the Chairman.

5 Internal Audit Annual Report 2012/13

The Service Manager from Worcestershire Internal Audit Shared Service presented a report that provided the Committee with the overall results of meeting Internal Audit's objectives as set out in the Internal Audit Plan for 2012/13 and provided an audit opinion and commentary on the overall adequacy and effectiveness of the internal control environment.

Members were informed that the internal audit on the Asset Management Plan had been deferred until September 2013 in agreement with the Chief Accountant and it was noted that this audit had now taken place.

RESOLVED that the report be noted.

6 External Audit Annual Governance Report

The Authority's external auditors presented the External Audit Annual Governance

Report 2012/13.

The report highlighted the key matters arising from the audit of the Authority's financial statements for the year ended 31 March 2013. The report also outlined the audit findings to management and those charged with governance in accordance with the requirements of International Standards on Auditing 260 (ISA).

The External Auditor confirmed it was his intention to issue an unqualified opinion on the Authority's financial statements and to give an unqualified value for money conclusion. Furthermore it was confirmed that there would be no changes to Audit Plan which had been presented to the Committee earlier in the year.

RESOLVED that the Audit and Standards Committee:

- (i) notes the External Audit Annual Governance Report 2012/13;**
- (ii) approves the letter of representation; and**
- (iii) agrees the response to the proposed action plan set out in the report.**

7 Statement of Accounts 2012/13

Prior to considering the Statement of Accounts 2012/13 the Committee received a short presentation from the Treasurer.

The Treasurer presented the accounts to the Committee and these were scrutinised by Members.

RESOLVED that the Statement of Accounts 2012/13 be approved.

8 Draft Annual Governance Statement 2012/13

The Monitoring Officer presented the Draft Annual Governance Statement 2012/13 for approval.

The Accounts and Audit (England) Regulations 2011 require the Fire & Rescue Authority to review its arrangements for governance and systems for internal control on an annual basis. To meet this requirement the operation of the Authority's governance arrangements is subject to an annual self-assessment against the CIPFA (Chartered Institute of Public Finance and Accountancy) and SOLACE (Society for Local Authority Chief Executives) framework.

Members scrutinised the Statement and noted that it was intended to address arrangements for the appraisal of the Chief Fire Officer.

RESOLVED that the draft Annual Governance Statement 2012/13 be approved.

9. Internal Audit Draft 2013/14 Plan

The Service Manager from Worcestershire Internal Audit Shared Service outlined the Internal Audit Draft Plan for 2013/14.

RESOLVED that the 2013/14 draft Internal Audit Plan be agreed.

10 Operational Assessment Action Plan 2013/14

The Head of Corporate Services presented a report that provided the Committee with a progress report on the Action Plan to address the areas for improvement arising from the Operational Assessment conducted in 2012.

RESOLVED that the Audit and Standards Committee notes progress on the Operational Assessment Action Plan 2013/14.

11 National Fraud Initiative 2012/13

The Treasurer presented a report that informed Members of the final outcomes of the National Fraud Initiative (NFI).

RESOLVED that the comprehensive action taken by the Authority in response to the National Fraud Initiative for 2012/13 be noted and it also be noted that once again no fraud has been identified.

12 Annual Statement of Assurance 2013-14

The Head of Corporate Services presented a report regarding the Draft Statement of Assurance 2012-14.

The Audit and Standards Committee had been asked to scrutinise the document prior to its consideration by the Authority in October 2013.

RESOLVED that the draft Annual Statement of Assurance 2013-14 be recommended to the FRA for approval.

The meeting concluded at 3.20 pm.

Signed: _____
Chairman

Date: _____

Report of the Treasurer

5. Internal Audit Monitoring Report 2013/14

Purpose of report

1. To provide the Audit Committee with an interim progress update on the 2013/14 plan delivery.

Recommendation

The Treasurer recommends that the report is noted.

Introduction and Background

2. The Authority is responsible for maintaining or procuring an adequate and effective internal audit of the activities of the Authority under the Accounts and Audit (England) Regulations 2011. This includes considering, where appropriate, the need for controls to prevent and detect fraudulent activity. These should also be reviewed to ensure that they are effective. This duty has been delegated to the Treasurer and Internal Audit is provided by Worcestershire Internal Audit Shared Service (WIASS). Management is responsible for the system of internal control and should set in place policies and procedures to ensure that the system is functioning correctly.

Objectives of Internal Audit

3. The Public Sector Internal Audit Standards defines internal audit as: “an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”. WIASS is committed to conforming to the requirements of the Public Sector Internal Audit Standards.

Aims of Internal Audit

4. The objectives of WIASS are to:
 - Examine, evaluate and report on the adequacy and effectiveness of internal control and risk management across the Fire Service and recommend arrangements to address weaknesses as appropriate;

- Examine, evaluate and report on arrangements to ensure compliance with legislation and the Fire Service's objectives, policies and procedures;
 - Examine, evaluate and report on procedures that the Fire Service's assets and interests are adequately protected and effectively managed;
 - Undertake independent investigations into allegations of fraud and irregularity in accordance with Fire Service's policies and procedures and relevant legislation; and
 - Advise upon the control and risk implications of new systems or other organisational changes.
5. Internal Audit has worked with External Audit to try and avoid duplication of effort, to provide adequate coverage for the 2013/14 financial year so that an internal audit opinion can be reached and support External Audit by carrying out reviews in support of the accounts opinion work.

Audit Planning

6. To provide audit coverage for 2013/14 an audit operational programme to be delivered by WIASS was discussed and agreed with the Authority's Section 151 Officer and Treasurer, Chief Accountant, as well as External Audit and this was approved at the 26 September 2013 meeting. The audit programme provides a total audit provision of 111 audit days, 100 operational and 11 management days.

Audit Delivery

7. Audits that have been finalised during 2013/14 up to 30th November 2013 include:
- Risk Management Health Check
8. To assist the Committee to consider assurance on the areas of work undertaken an overall assurance level is given to each audit area based on a predetermined scale. Also the findings are prioritised into 'high', 'medium' and 'low' within audit reports.

2013/14 Audits:

Risk Management Health Check

9. The review was a Health Check/Critical Friend and will concentrate on the risk management process seeking assurance that risks are managed effectively by both officers and Members, including effective reporting particularly when there is restructuring, the monitoring and review of risks is undertaken regularly, the managing and assessing of risks is embedded throughout the Service, and the risk management process is used as a tool for informed decision making. The review did not consider the detail of individual risks or their risk assessment.

10. The review found there is generally a sound system of internal control in place. The Risk Management Strategy is in place and the risk registers have been placed on Sharepoint with access being limited appropriately. High and medium risks can be easily identified via the colour coding system. Risks are now monitored quarterly by the Middle Management Board at a Service level and at Senior Management Board Performance meetings for the Directors and Strategic Risk Registers. The Strategic risks are overseen and reviewed by the Chief Fire Officer. This system ensures that changes within the Service can be assessed on an on going basis and where necessary risks can be added to the risk registers to enable them to be monitored and where possible mitigated. Members have undertaken risk management training as part of their induction. There is still a need to continue to embed risk management throughout the Fire Service to enable it to become a part of everyday decision-making and management updating. Currently the risk management procedures and Strategy have been in operation since January 2013 and all risks were assessed at this date meaning they remain relevant. However over time a lack of updating by management could mean that not all risks are being effectively monitored. The Emergency Planning and Resilience Officer is aware of this and is currently trying to address this via discussion with the Information and Technology Department (IT) to add automatic reminders to the Sharepoint risk registers and discussion into the effectiveness of attending department team meetings. There were no high priority recommendations to report.

Assurance: Significant

Final Report issued: 30 October 2013

11. Summaries of the finalised audits relating to 2013/14 are listed below:

Audit	Assurance Level
Risk Management Health Check	Significant

12. Audits that have not been finalised but remain ongoing have been listed below providing a summary of the focus and the current audit position.

Debtors (Draft report Stage)

13. The review was a full system audit concentrating on the Debtors' system seeking assurance with regard to adequate segregation of duties over processes, debtor invoices being raised promptly and all income recorded accurately and promptly. This included instances where the Service may make a charge, (for example the provision of information requested under the following legislation; the Freedom of Information Act 2000, the Data Protection Act 1998, and the Environmental Information Regulations 2004). Debtors' invoices are raised in accordance with the Service's published charging policies, (for example within the 'Cost Recovery for Special Services' Policy), satisfactory collection and write off procedures and Credit notes are raised appropriately and with clear reasons and not for the purpose of writing off bad debts.
14. The Review found there are sound systems in place for invoicing for debts owed to the authority in a timely manner, with income received recorded promptly and accurately in the general ledger. Charges for information and other data

requests are always collected in advance of information being provided, and charges for special services have been found to be correctly made under the 'Cost Recovery for Special Services' Policy, with the exception of a very small discrepancy in Administration charge. There is a small amount of outstanding debt owed to the Authority, which is fairly constant and was £5,897 on the first day of the audit, and there is evidence of efforts made to recover this after 30 days of the invoice date. However, the action taken is not in line with the strict timescales given in the 'Accounts Receivable and Debt Management Policy', which was approved on 31 October 2012. There were no high priority recommendations being reported.

Draft Assurance: Significant

Draft Report issued: 27 November 2013

Creditors (Draft Report Stage)

15. The review was a full system audit concentrating on the Creditors' system seeking assurance with regard to controls in place from the point the purchase order is raised to the point the payment is recorded in the ledger. The audit considered whether goods/services are correctly authorised either directly or via a purchase order and segregation of duties exist between the requisition and authorisation of goods/ services. Purchase orders are raised prior to the receipt of goods/services unless specifically excluded, authorisation levels and separation of duties have been set for all creditors payments, including the use of purchase cards and are being adhered to. Supplier details for new creditors and amendments to existing records are authorised. Payments for goods/supplies are in accordance with internal and external regulations, are properly chargeable to Hereford & Worcester Fire and Rescue Service and are made only once. Invoices are recorded correctly and accurately in the main ledger and basic IT controls are in place. The audit did not cover the procurement process and therefore did not include the procurement rules.
16. The review found goods and services are correctly authorised and there is clear segregation of duties between the requisition and authorisation of goods and services. Strong Bankers' Automated Clearing Services (BACs) payment controls are in place, including the raising of cheques where relevant and authorisation for payments for single items over £50,000, and continue to work effectively after the Authority's change of bank account. Payments tested during the audit were found to have been made within the 30 days of receipt of the invoice to the finance team. Data on payment performance (within 30 days) is reportedly submitted to the Director of Finance and Assets for consideration on a monthly basis. This should ensure the Authority is able to monitor the extent to which it meets the requirements of the Late Payment of Commercial Debt Regulations (2013), and to avoid interest and compensation charges from creditors. However, there have been instances identified where invoices received at sites other than Service Headquarters are not always forwarded to the central Finance team in a timely manner, which may result in late payments. There were no high priority recommendations being reported.

Draft Assurance: Significant

Draft Report issued: 27 November 2013

Main Ledger and Budgetary Control (Draft Report Stage)

17. The review was a full system audit concentrating on the controls over the Main Ledger System with regard to ensuring the quality and timeliness of the input to the ledger, (for example from feeder systems, procurement cards and direct debits). Appropriate codes are used and any errors or omissions are timely located/corrected within the system including the use of suspense codes. There is an effective bank reconciliation process in place. Sufficient reliable information is available to budget holders and any budget variations are analysed, investigated, explained and acted upon, and, budget virements are authorised and controlled effectively in accordance with agreed procedures.
18. The review found there is generally a sound system of internal control in place and an effective budget monitoring procedure where any potential budget variances are identified at an early stage and appropriate action taken where necessary. Systems are in place to reconcile all feeder systems to the general ledger to ensure there are no discrepancies. However it was noted that due to resource pressures experienced during the External Audit 2012/13 some accountancy functions had not been completed fully. The payroll to the general ledger reconciliation was not fully evidenced on the working file since accounting period 4 and also there were a few unallocated items in suspense (totalling approximately £8,000) dating back to the same period. A review of the access and approval rights regarding the new online banking process demonstrated that there are sufficient controls around the processing of transactions and a clear separation of duties is in place eliminating the risk to the Service. There were no high priority recommendations being reported.

Draft Assurance: Significant

Draft Report issued: 27 November 2013

Operational Logistics (Draft Report Stage)

19. The review was a full systems audit that concentrated on the areas of vehicle maintenance/workshop with regard to the inventory system, resources and assets. The audit did not cover procurement procedures.
20. The audit found some of the expected controls are not operating effectively. The Tranman System used to record all maintenance both scheduled and reactive is user-friendly and identifies each item with a unique reference number. This allows for the tracking and monitoring of location, MOT/Service/RFL due dates, drivers, purchase and disposal dates, mileage, fuel costs, incidents and maintenance history. All maintenance job numbers are allocated by the system eliminating the possibility of the job numbers being allocated to more than one job. However job numbers can be deleted from the system and authorisation and checking of costs associated with the maintenance of vehicles is undertaken at a stage which does not provide an effective control measure.
21. There is also some duplication of work in relation to the Tranman system and the Inventory system. The two systems are not interfaced resulting in stock parts

issues being entered onto both systems independently. Officers are aware of this and are looking at possible ways of improving this process.

Draft Assurance: Moderate

Draft Report issued: 6 December 2013

Asset Management 2012-13 (Draft Report Stage)

22. The review was a systems audit concentrating on the controls over the Asset Management system. The audit did not include a review of assets monitored by the stock system as this was audited separately in the 2012/13 financial year.
23. The review found that generally there is a sound system of control in place regarding the management of assets. Controls are in place regarding the authorisation of minor and major capital projects. Major capital projects require authorisation by the Policy and Resources Committee and minor capital projects require authorisation by the Deputy Chief Fire Officer and the Director of Finance and Assets (Section 151). The Asset Register is updated and reconciled to the financial ledger at the end of each financial year and ongoing monitoring of capital projects is undertaken through the normal budget monitoring process. Procedures are in place to reconcile to other service asset registers. This is working well in most areas but there is currently a control weakness in relation to an annual reconciliation between the Asset Register and General/Operational equipment. There were no high priority recommendations reported.

Draft Assurance: Significant

Draft Report issued: 1 November 2013

Payroll and Pensions including GARTAN System (Fieldwork Stage)

24. The review is a full system audit concentrating on areas of the Payroll system seeking assurance with regard to only current bona fide employees of HWFRS being paid through the payroll system. Amendments to payroll data, including sickness records, new employees, leavers movers and additional payments/deductions including personal mileage declarations and overtime claims are actioned only on evidence of adequate, timely and authorised information. There are adequate controls over the GARTAN system for example and all payments are appropriately authorised, processed correctly and there is a clear audit trail. All records and documents are protected against loss or unauthorised access and plans are in place to address the tendering of the Payroll Service. The audit includes the documents/information from the point that it is received by the Payroll Section up to and including the transfer of data to the Fire Service's financial ledger. The audit is not covering controls over the calculation of pension payments carried out by Worcester County Council as the County are to provide a letter of conformity or access controls operated by a third party other than those related to giving assurance on areas reported above, or, any Service Level Agreement between the Fire Service and a third party.

Corporate Governance (Fieldwork Stage)

25. The review is a limited scope audit concentrating on the External Audit recommendations made in 2011/12 regarding identified weaknesses in the Governance arrangements within the organisation with regard to a Monitoring Officer. The audit is seeking assurance that all recommendations made by External Audit in their Governance Report 2011/12 have been suitably addressed; that the role of the Service Monitoring Officer is in accordance with legislative requirements, is embedded well within the organisation and has delivered, progressed and proved itself since inception. The audit will not cover the Annual Governance Assurance Statement process or the integrity of the information used to compile this statement.

Community Safety (Fieldwork Stage)

26. The review is a full systems audit concentrating on Community Safety and is seeking assurance as to whether set objectives, targets and outturn for the service are met. It also seeks assurance as to whether all officers within the section are aware of and have access to these. The review seeks assurance that budgets are spent in line with the aims and objectives of the Service to provide value for money for the local community. It also seeks to ensure that management Information is produced which is timely, used to inform future decisions and reported to senior management and Members and plans are being developed for the future targeting and progression of the service. The audit will not cover the appropriateness of the original budget setting except in so far as it relates to the areas reported.
27. All of the audits indicated above are currently at draft report stage awaiting management response, or, on-going. An assurance level will be formally agreed and notified to Committee on their completion.
28. As the audits are finalised update reports will be brought before the Audit and Standards Committee along with an extract of any 'high' priority recommendations. Finalised reports will be provided in their entirety to the Chairperson of the Committee for perusal on request.

Business Continuity Follow Up 2012-13

29. A follow up audit was undertaken to ascertain progress with regard to the 2012-13 audit. Out of a total of four recommendations (i.e. three medium priority and one low priority), two medium priority and one low priority recommendations have been implemented with sufficient evidence to support this. With regard to the third medium priority recommendation (i.e. Where the Departmental Risk Registers highlight a high risk to the authority), related business continuity plans should be reviewed to ensure that they are fit for purpose and where necessary updated. There is evidence that this is in progress and due to the risks within this area it forms part of the 2013/14 Internal Audit Plan. Overall, Internal Audit is satisfied with the progress that has been made to implement the recommendations within the 2012/13 review and Committee can take assurance from this.

30. Appendix 1 provides the Committee with a breakdown of 2013/14 internal audit plan delivery to date.
31. Appendix 2 provides the Committee with a breakdown of the 'high' priority recommendations that have been reported in respect of audits where the audit has been completed and final reports issued. For the purposes of this report there were no 'high' priority recommendations to report. Also included are the definitions used to decide audit recommendation priority and overall assurance.

Conclusion/Summary

32. Operational progress against the Internal Audit Plan for 2013/14 has been steady and will continue to be closely monitored by the Service Manager of the Worcestershire Internal Audit Shared Service. Progress will be reported to the Audit Committee on a quarterly basis and, for information, also included will be the 'high' priority recommendations. Those audits that have not started are programmed to be delivered in quarter four (January 2014 to March 2014).

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	There are financial issues that require consideration as there is a contract in place but are not fully detailed in this report. There are financial issues that require consideration as there is a contract in place but are not fully detailed in this report.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	Whole report.
Consultation (identify any public or other consultation that has been carried out on this matter)	None.
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	N/A

Supporting Information

Appendix 1 – 2013/14 Internal Audit Plan delivery summary

Appendix 2 – 'High' priority recommendations for completed audits including definitions

Contact Officer

Andy Bromage, Service Manager - Worcestershire Internal Audit Shared Service
(01905 722051)

andy.bromage@worcester.gov.uk

APPENDIX 1
FIRE & RESCUE SERVICE
Audit Plan for 2013/14

Service Area	System	Anticipated Days	Preferred Timing and Current Position	Days Delivered to 30th November 2013
Main Systems				
Accountancy and Finance Systems	Payroll & Pensions incl. GARTAN system	13	Q3/4 (Ongoing)	8
	Creditors	8	Q3 (Draft Report Stage)	7
	Debtors	5	Q3 (Draft Report Stage)	4
	Main Ledger & Budgetary Control	8	Q3 (Draft Report Stage)	7
	Capital Programme	9	Programmed for Q4	0
Corporate Governance	IT Audit	10	Programmed for Q4	0
	Risk Management (Health Check)	3	Q2 (Final Report issued)	3
	Corporate Governance	8	Q2 (Ongoing)	5
System Management Arrangements /	Community Safety	8	Q2 (Ongoing)	6
	Urban Search & Rescue (USAR)	8	Programmed for Q4	0
	Operational Logistics	12	Q2 (Draft Report Stage)	11
General	Follow Ups	7	Ongoing for 2013/14	5
	Advice & Guidance	1	Ongoing for 2013/14	0.5
	Audit Committee & Management Reporting	11	Ongoing for 2013/14	8.5
Total Contracted Days		111		65

Note:

GAD has not been included ~ conformity to be provided by Worcestershire County Council.

Asset Management 2012/2013 undertaken in September 2013 per agreement with Treasurer and S151 Officer, (days owing from 2012-13 Audit Plan used).

Appendix 2

Audit Reports 2013/14

There are no 'high' priority recommendations to report in regard to this report.

Definition of Audit Opinion Levels of Assurance (for information)

Opinion	Definition
Full Assurance	<p>The system of internal control meets the organisation's objectives; all of the expected system controls tested are in place and are operating effectively.</p> <p>No specific follow up review will be undertaken; follow up will be undertaken as part of the next planned review of the system.</p>
Significant Assurance	<p>There is a generally sound system of internal control in place designed to meet the organisation's objectives. However isolated weaknesses in the design of controls or inconsistent application of controls in a small number of areas put the achievement of a limited number of system objectives at risk.</p> <p>Follow up of medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>
Moderate Assurance	<p>The system of control is generally sound however some of the expected controls are not in place and / or are not operating effectively therefore increasing the risk that the system will not meet it's objectives. Assurance can only be given over the effectiveness of controls within some areas of the system.</p> <p>Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>
Limited Assurance	<p>Weaknesses in the design and / or inconsistent application of controls put the achievement of the organisation's objectives at risk in many of the areas reviewed. Assurance is limited to the few areas of the system where controls are in place and are operating effectively.</p> <p>Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>
No Assurance	<p>No assurance can be given on the system of internal control as significant weaknesses in the design and / or operation of key controls could result or have resulted in failure to achieve the organisation's objectives in the area reviewed.</p> <p>Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>

Definition of Priority of Recommendations

Priority	Definition
H	Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. Immediate implementation of the agreed recommendation is essential in order to provide satisfactory control of the serious risk(s) the system is exposed to.
M	Control weakness that has or is likely to have a medium impact upon the achievement of key system, function or process objectives. Implementation of the agreed recommendation within 3 to 6 months is important in order to provide satisfactory control of the risk(s) the system is exposed to.
L	Control weakness that has a low impact upon the achievement of key system, function or process objectives. Implementation of the agreed recommendation is desirable as it will improve overall control within the system.

‘

High’ Priority Recommendations reported

There are no ‘high’ priority recommendations to be reported to Committee on this occasion.

Report of the Treasurer

6. Annual Audit Letter 2012/13

Purpose of report

1. To present the Annual Audit Letter 2012/13 from the External Auditors, Grant Thornton UK LLP.

Recommendation

The Treasurer recommends that the Committee notes the Annual Audit Letter 2012/13 from the External Auditors, Grant Thornton UK LLP.

Introduction and Background

2. Under the Audit Commission Act the Auditors must be satisfied that the Authority has adequate arrangements in place to secure economy, efficiency and effectiveness in its use of resources focusing on the arrangements for:
 - securing financial resilience; and
 - prioritising resources within tighter budgets.
3. The Auditors undertake a risk assessment to identify any significant risks which need to be addressed before the value for money conclusion is reached. The Auditors assess the Authority's financial resilience as part of their work on the value for money conclusion.
4. The Annual Audit Letter summarises the findings from the 2012/13 audit.
5. The Audit comprised two elements:
 - a. the audit of the Authority's financial statements; and
 - b. an assessment of the Authority's arrangements to achieve value for money in its use of resources.

Overview

6. The key messages in the Audit 2012/13 are as follows:
 - (i) The Authority has taken appropriate account of the current economic climate and the plans are supported by detailed and robust assumptions.

- (ii) The Authority has a sound understanding of the current financial environment and undertakes robust planning for the medium and long term.
- (iii) There is a strong link between the Authority Plan and the Community Risk Management Plan.
- (iv) Scenario planning around the level of grant funding has been undertaken and considered within the Authority's detailed medium term financial plan to ensure that reserves are sufficient to meet future expenditure.
- (v) The Authority historically closely monitors its expenditure and does not exceed budget levels.
- (vi) The Senior Management Board provide clear leadership on spending priorities and demonstrate a clear understanding of the resource requirements of the Service.
- (vii) The Service has challenged the existing delivery arrangements of the community safety and training provision and has implemented changes.
- (viii) Performance management is strong and appropriately challenged.
- (ix) The Authority benchmarks its performance with other authorities to identify areas for improvement. Efficiencies have been made and efficiency plans continue to be implemented.

Conclusion/Summary

Audit Opinion and Financial Statements

7. The Engagement Lead issued an unqualified opinion on the Authority's financial statements on 30 September 2013. The financial statements were considered to be true and fair and presented without material misstatement. The standard of financial statements and working papers provided to support the financial statements, together with the support provided to external audit at the final audit visit, were again improved from last year.

Value for Money

8. The Engagement Lead issued an unqualified Value for Money Conclusion on 30 September 2013 as his work did not identify any matters which would lead him to believe that the Authority did not have proper arrangements in place for securing economy, efficiency and effectiveness.
9. The Engagement Lead was satisfied on the basis of his work that in all significant respects Hereford & Worcester Fire and Rescue Authority has put in place proper arrangements to secure value for money in its use of resources for the year ending 31 March 2013.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	None
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	None
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	None
Consultation (identify any public or other consultation that has been carried out on this matter)	None
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	N/A

Supporting Information

Appendix 1 – Annual Audit Letter 2012/13 from the External Auditors, Grant Thornton UK LLP

Contact Officer

Martin Reohorn, Director of Finance & Assets / Treasurer
(01905 368205)
Email: mreohorn@hwfire.org.uk



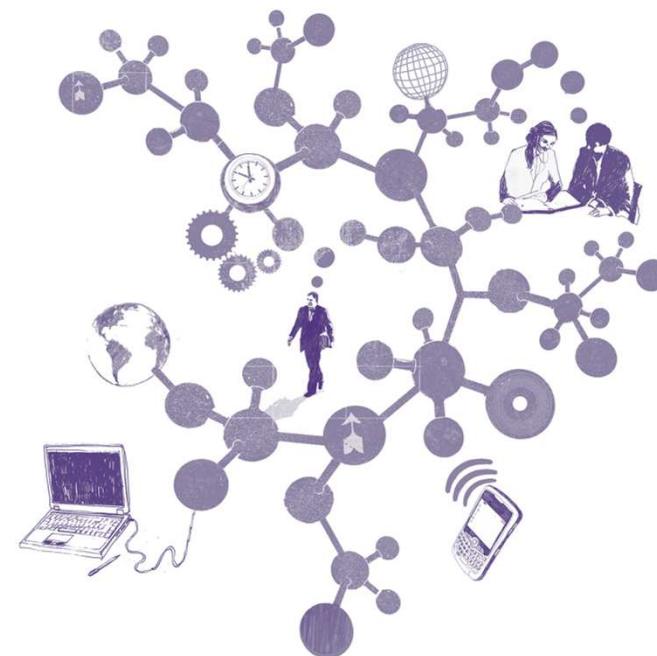
The Annual Audit Letter for Hereford & Worcester Fire & Rescue Authority

Year ended 31 March 2013

16 October 2013

Grant Patterson
Director
T 0121 232 5296
E grant.b.patterson@uk.gt.com

Joan Hill
Audit Manager
T 0121 232 5327
E joan.hill@uk.gt.com



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Section 1: Executive summary

01. Executive summary

02. Audit of the accounts

03. Value for Money

Executive summary

Purpose of this Letter

Our Annual Audit Letter ('Letter') summarises the key findings arising from the following work that we have carried out at Hereford and Worcester Fire and Rescue Authority ('the Authority') for the year ended 31 March 2013:

- auditing the 2012/13 accounts and Whole of Government Accounts submission (Section two)
- assessing the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources (Section three).

The Letter is intended to communicate key messages to the Authority and external stakeholders, including members of the public. We reported the detailed findings from our audit work to those charged with governance in the Audit Findings Report on 26 September 2013.

Responsibilities of the external auditors and the Authority

This Letter has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission (www.audit-commission.gov.uk).

The Authority is responsible for preparing and publishing its accounts, accompanied by an Annual Governance Statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources (Value for Money).

Our annual work programme, which includes nationally prescribed and locally determined work, has been undertaken in accordance with the Audit Plan that we issued on 9 April 2013 and was conducted in accordance with the Audit Commission's Code of Audit Practice ('the Code'), International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

Audit conclusions

The audit conclusions we have provided in relation to the financial year 2012/13 are as follows:

- an unqualified opinion on the accounts which give a true and fair view of the Authority's financial position as at 31 March 2013 and its income and expenditure for the year
- an unqualified conclusion in respect of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources, and
- an unqualified opinion (short form assurance statement) on the Authority's Whole of Government Accounts submission.

Executive summary (continued)

Key areas for Authority attention

We summarise here the key messages arising from our audit for the Authority to consider as well as highlighting key issues facing the Authority in the future.

The Authority is facing significant challenges. Up to 2013-14, some £2.5 million of savings from the annual revenue budget have been achieved, mostly through the reduction of workforce numbers and by cuts to spending budgets. At its meeting on the 3 October 2013 the Authority considered its Community Risk Management plan (CRMP) 2014-20. This highlights that over the coming years there is a growing gap between the budget needed to deliver the current range of services and the resources available.

The latest figures reported estimate that the budget gap will be £4.7million by 2016-17. To address this gap some £2million worth of savings have already been identified, mostly through further internal efficiencies and management reductions. How the Authority can address the remaining £2.7million has been set out in the CRMP balancing its available resources against its assessment of risk whilst continuing to maintain an effective service. It has approved a period of 12 week consultation on the details in the CRMP after which an analysis of the results will be considered by the Authority before formal publication and the preparation of an implementation plan. The Authority received taxation and non specific grant income in 2012/13 of £33.8million.

The financial constraints facing the Authority in the coming years require budget reductions at unprecedented levels in common with other local government bodies. The Authority will have to ensure that the implementation of the CRMP remains on track as the process unfolds whilst maintaining its services to its prescribed target levels.

The Authority on 3 October 2013 considered a report regarding future options for combination with Warwickshire Fire and Rescue Service which is provided by Warwickshire County Council. The Authority have requested further information and deferred a decision until its next meeting in December 2013.

Acknowledgements

This letter has been agreed with the Chief Fire Officer and Treasurer. It will be presented to the next meeting of the Audit Committee in January 2014.

We would like record our appreciation for the assistance and co-operation provided to us during our audit by the Authority's staff.

Grant Thornton UK LLP
October 2013

Section 2: Audit of the accounts

01. Executive summary

02. Audit of the accounts

03. Value for Money

Audit of the accounts

Audit of the accounts

The key findings of our audit of the accounts are summarised below:

Preparation of the accounts

The Authority presented us with draft accounts approved by the Treasurer on 28 June 2013, in accordance with the statutory deadline. Appropriate working papers were made available from the start of the audit fieldwork, which commenced on 15 July 2013.

Issues arising from the audit of the accounts

The financial statements presented for audit were sound and our work has not identified any significant control weaknesses which we wish to highlight for your attention.

We and your predecessor auditors have been working with officers to ensure that the Authority's financial statements comply with the requirements of the CIPFA Code of Practice.

We identified that there were a significant number of omissions, misclassifications and disclosure changes required in order to bring your financial statements into line with the CIPFA Code of Practice for 2012/13. All the omissions and disclosure changes were adjusted for in the final set of accounts. We recommended that the Authority look to strengthen its internal quality assurance arrangements which has been agreed by the Treasurer.

Annual governance statement

The Authority's annual governance statement was approved at the Audit Committee on the 26 September 2013 and reported no significant internal control issues.

Conclusion

Prior to the giving of our opinion on the accounts, we are required to report significant matters arising from the audit to 'those charged with governance' (defined as the Audit Committee at the Authority). We presented our report to the Audit Committee on 26 September 2013 and summarise only the key messages in this letter.

We issued an unqualified opinion on the Authority's 2012-13 accounts on 30 September 2013, meeting the deadline set by the Department for Communities and Local Government. Our opinion confirms that the accounts give a true and fair view of the Authority's financial position and of the income and expenditure recorded by the Authority.

Whole of government accounts (WGA)

The Authority was below the audit threshold determined by the Audit Commission, requiring our completion of a short form assurance statement. This statement covered the consistency in the WGA pack of two specified areas of Property, Plant & Equipment and Pension liabilities and the audited accounts. We confirmed that the bottom line totals of these areas were consistent between the WGA pack and the accounts and issued our assurance statement on the 30 September 2013 in advance of the deadline.

Section 3: Value for Money

01. Executive summary

02. Audit of the accounts

03. Value for Money

Value for Money

Scope of work

The Code describes the Authority's responsibilities to put in place proper arrangements to:

- secure economy, efficiency and effectiveness in its use of resources
- ensure proper stewardship and governance
- review regularly the adequacy and effectiveness of these arrangements.

We are required to give a VFM conclusion based on the following two criteria specified by the Audit Commission which support our reporting responsibilities under the Code:

The Authority has proper arrangements in place for securing financial resilience. The Authority has robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.

The Authority has proper arrangements for challenging how it secures economy, efficiency and effectiveness. The Authority is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.

Key findings

Securing financial resilience

We have undertaken a review which considered the Authority's arrangements against the three expected characteristics of proper arrangements as defined by the Audit Commission:

- financial governance
- financial planning
- financial control.

Our work highlighted that the Authority has a medium term financial plan to 2016-17 which is aligned with its corporate plans. The 2012-13 financial plan was delivered with a surplus against budget of £2.2million (2011-12 £1.2million).

The underspend is being used to support expenditure in future years. The budget is prepared on a prudent basis incorporating pay and prices factors. The level of surplus in year is not at a level to indicate a weakness in financial control.

Challenging economy, efficiency and effectiveness

We have reviewed whether the Authority has prioritised its resources to take account of the tighter constraints it is required to operate within and whether it has achieved cost reductions and improved productivity and efficiencies.

Our work highlighted that the Authority has reviewed its services and presented options to members to address the budget shortfalls in the coming years. Members decided in October 2013 on the options on which to consult, with decisions being taken in early 2014. These options will involve difficult decisions and choices to be made on the resources allocated at the front line delivery of services.

The Authority has a memorandum of understanding in place with a neighbouring authority, Shropshire & Wrekin Fire & Rescue Authority for the provision of fire control. We have not identified any issues in its operation.

An Operational Performance assessment on the authority was completed in the year. There were no significant or fundamental issues identified and the Authority has prepared an action plan based on the findings of the assessment which are in the process of being delivered.

Overall VFM conclusion

On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we are satisfied that in all significant respects the Authority put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2013.

Appendix

Appendix A: Reports issued and fees

We confirm below the fee charged for the audit and confirm there were no fees for the provision of non audit services.

Fees

	Per Audit plan £	Actual fees £
Audit Fee	43,829	43,829
Total fees	43,829	43,829

Fees for other services

Service	Fees £
None	Nil

In respect of the fee:

Our fees are exclusive of VAT.

Reports issued

Report	Date issued
Audit Plan	9 April 2013
Audit Findings Report - For the 26 September 2013 Audit committee	18 September 2013
Annual Audit Letter	16 October 2013



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Report of the Treasurer

7. External Audit Fee 2013/14

Purpose of report

1. To apprise the Audit and Standards Committee of the audit fee for the Authority along with the scope and timing of work to be undertaken.
-

Recommendation

The Treasurer recommends that the report be noted.

Introduction and Background

2. Grant Thornton (UK) LLP has been appointed by the Audit Commission to act as auditors for Hereford and Worcester Fire and Rescue Authority for the next five years.
3. The Commission continues to determine the scale fee for Audit work to secure significant reductions in the cost of audit services. Together with further savings achieved through the Commission's own internal efficiencies, they are expecting to continue to pass on reductions of up to 40% in audit fees from 2013/14.

Scale Fee

4. The scale fee is defined as the fee required by auditors to carry out the work necessary to meet statutory responsibilities in accordance with the Code of Audit Practice.
5. The Authority's scale fee for 2013/14 is £43,829 which is the same audit fee as set for 2012/13 (£43,829)
6. Fees will be reviewed and updated as necessary as the audit work progresses.
7. Fees will be billed quarterly in advance. Given the timing of the appointment of Grant Thornton as the Authority's auditors, a bill for two quarters will be billed in December 2013 with the normal quarterly billing following thereafter.
8. The scale fee excludes any work requested by the Authority that Grant Thornton may agree to undertake outside of the Code audit. Each additional piece of work will be separately agreed and a detailed project specification and fee agreed with the Authority.

Outline Audit Timetable

9. Audit planning and interim audit procedures will be undertaken in the spring of 2014. Upon completion of this phase of work a detailed audit plan setting out findings and details of audit approach will be issued. Final accounts and work on the Value for Money Conclusion will be completed in July/August 2014 and work on the whole of government accounts return in August/September 2014.

Phase of Work	Timing	Outputs
Audit planning and interim audit	January to March 2014	Audit Plan
Final accounts audit	July/August 2014	Report to those charged with governance
Value for Money Conclusion	January to September 2014	Report to those charged with governance
Whole of government accounts	September 2014	Opinion on the Whole Government Accounts (WGA) return
Annual audit letter	October 2014	Annual audit letter to the Authority

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	Fees (see paras 4 – 8)
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	None.
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	None.
Consultation (identify any public or other consultation that has been carried out on this matter)	None.
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	N/A

Supporting Information

Appendix 1 – Grant Thornton UK LLP – Planned Audit Fee for 2013/14 letter dated 16 April 2013

Contact Officer

Martin Reohorn, Treasurer
(01905 368205)
Email: mreohorn@hwfire.org.uk



Our Ref GP/JH/H09000018/L2

Mr Mark Yates
Chief Fire Officer
Hereford and Worcester Fire and Rescue Authority
Headquarters
2 Kings Court
Charles Hastings Way
Worcester
WR5 1RJ

Grant Thornton UK LLP
Colmore Plaza
20 Colmore Circus
Birmingham B4 6AT
T +44 (0)121 212 4000
www.grant-thornton.co.uk

16 April 2013

Dear Mark

Hereford and Worcester Fire and Rescue Authority - Planned audit fee for 2013/14

The Audit Commission has set its proposed work programme and scales of fees for 2013/14. In this letter we set out details of the audit fee for the Authority along with the scope and timing of our work and details of our team.

Scale fee

The Audit Commission defines the scale audit fee as “the fee required by auditors to carry out the work necessary to meet their statutory responsibilities in accordance with the Code of Audit Practice. It represents the best estimate of the fee required to complete an audit where the audited body has no significant audit risks and it has in place a sound control environment that ensures the auditor is provided with complete and materially accurate financial statements with supporting working papers within agreed timeframes.”

The Authority's scale fee for 2013/14 has been set by the Audit Commission at £43,829. This is the same audit fee as set for 2012/13 (£43,829).

Further details of the work programme and individual scale fees for all audited bodies are set out on the Audit Commission's website at www.audit-commission.gov.uk/audit-regime/audit-fees/201314-fees-and-work-programme/.

The audit planning process for 2013/14, including the risk assessment, will continue as the year progresses and fees will be reviewed and updated as necessary as our work progresses.

Scope of the audit fee

The scale fee covers:

- our audit of your financial statements
- our work to reach a conclusion on the economy, efficiency and effectiveness in your use of resources (the value for money conclusion)
- our work on your whole of government accounts return.

Chartered Accountants
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A list of members is available from our registered office.

Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business.

Value for Money conclusion

Under the Audit Commission Act, we must be satisfied that the Authority has adequate arrangements in place to secure economy, efficiency and effectiveness in its use of resources, focusing on the arrangements for:

- securing financial resilience; and
- prioritising resources within tighter budgets.

We undertake a risk assessment to identify any significant risks which we will need to address before reaching our value for money conclusion. We will assess the Authority's financial resilience as part of our work on the VfM conclusion.

Billing schedule

Fees will be billed as follows:

Main Audit fee	£
September 2013	10,957
December 2013	10,957
March 2014	10,957
June 2014	10,958
Total	43,829

Outline audit timetable

We will undertake our audit planning and interim audit procedures in Spring 2014. Upon completion of this phase of our work we will issue a detailed audit plan setting out our findings and details of our audit approach. Our final accounts audit and work on the VfM conclusion will be completed in July/August 2014 and work on the whole of government accounts return in August/September 2014.

Phase of work	Timing	Outputs	Comments
Audit planning and interim audit	January to March 2014	Audit plan	The plan summarises the findings of our audit planning and our approach to the audit of the Authority's accounts and VfM.
Final accounts audit	July/August 2014	Audit Findings (Report to those charged with governance)	This report sets out the findings of our accounts audit and VfM work for the consideration of those charged with governance.

Phase of work	Timing	Outputs	Comments
VfM conclusion	January to September 2014	Audit Findings (Report to those charged with governance)	As above.
Whole of government accounts	September 2014	Opinion on the WGA return	This work will be completed alongside the accounts audit.
Annual audit letter	October 2014	Annual audit letter to the Authority	The letter will summarise the findings of all aspects of our work.

Our team

The key members of the audit team for 2013/14 are:

	Name	Phone Number	E-mail
Engagement Lead	Grant Patterson	0121 232 5296 07880 456 114	grant.b.patterson@uk.gt.com
Engagement Manager	Joan Hill	0121 232 5327 07880 456 108	joan.hill@uk.gt.com


Additional work

The scale fee excludes any work requested by the Authority that we may agree to undertake outside of our Code audit. Each additional piece of work will be separately agreed and a detailed project specification and fee agreed with the Authority.

Quality assurance

We are committed to providing you with a high quality service. If you are in any way dissatisfied, or would like to discuss how we can improve our service, please contact me in the first instance. Alternatively you may wish to contact Jon Roberts, our Public Sector Assurance regional lead partner jon.roberts@uk.gt.com.

Yours sincerely



GRANT PATTERSON
For Grant Thornton UK LLP

Report of the Treasurer

8. Informing the Audit Risk Assessment 2013/14

Purpose of report

1. To make Members aware of the Audit Risk Assessment carried out by Grant Thornton UK LLP, the Authority's External Auditor, in deriving the External Audit Plan.
-

Recommendation

The Treasurer recommends that the External Auditor's "Informing the Audit Risk Assessment", attached at Appendix 1, be noted.

Introduction and Background

2. In setting out the Audit Plan, Grant Thornton takes a risk-based approach to audit planning.
3. Appendix 1 contains details of the identified risks, both specific and generic, and management responses.
4. This information is not new but prior to 2012/13 it was dealt with in correspondence between the Auditor, Chair of the Audit Committee, Treasurer and Monitoring Officer.
5. From 2012/13 it has been agreed to bring the information to the attention of all Committee Members to further enhance the openness of governance.

Conclusion/Summary

6. There are no specific risks highlighted that are abnormal, or which cause the Treasurer or External Auditor particular concern.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	No
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	No
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	Yes – whole Report
Consultation (identify any public or other consultation that has been carried out on this matter)	No
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	n/a

Supporting Information

Appendix 1 – Informing the Audit Risk Assessment

Contact Officer

Martin Reohorn, Treasurer
(01905 368205)
Email: mreohorn@hwfire.org.uk



Informing the audit risk assessment for Hereford and Worcester Fire and Rescue Authority

Year ended

31 March 2014

Grant Patterson

Director

T 0121 232 5296

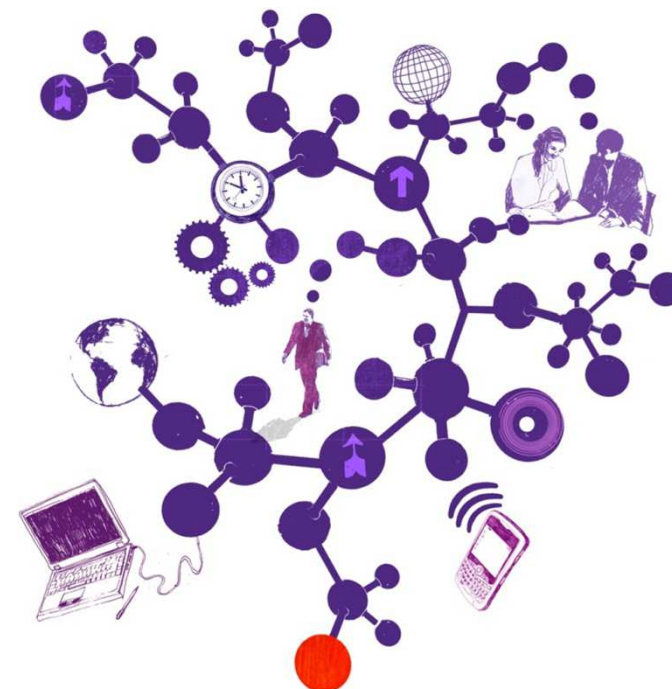
E grant.b.patterson@uk.gt.com

Joan Hill

Audit Manager

T 0121 232 5327

E joan.hill@uk.gt.com



The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Purpose

The purpose of this report is to contribute towards the effective two-way communication between the Authority's external auditors and the Authority's Audit and Standards Committee, as 'those charged with governance'. The report covers some important areas of the auditor risk assessment where we are required to make inquiries of the Audit and Standards Committee under auditing standards.

Background

Under International Standards on Auditing (UK and Ireland) (ISA(UK&I)) auditors have specific responsibilities to communicate with the Audit and Standards Committee. ISA(UK&I) emphasise the importance of two-way communication between the auditor and the Audit and Standards Committee and also specify matters that should be communicated.

This two-way communication assists both the auditor and the Audit and Standards Committee in understanding matters relating to the audit and developing a constructive working relationship. It also enables the auditor to obtain information relevant to the audit from the Audit and Standards Committee and supports the Audit and Standards Committee in fulfilling its responsibilities in relation to the financial reporting process.

Communication

As part of our risk assessment procedures we are required to obtain an understanding of management processes and the Audit and Standards Committee's oversight of the following areas:

- fraud
- laws and regulations
- going concern
- related parties
- accounting estimates.

This report includes a series of questions on each of these areas and the response we have received from the Authority's management. The Audit and Standards Committee should consider whether these responses are consistent with its understanding and whether there are any further comments it wishes to make.

Fraud

Issue

Matters in relation to fraud

ISA(UK&I)240 covers auditors responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both the Audit and Standards Committee and management. Management, with the oversight of the Audit and Standards Committee, needs to ensure a strong emphasis on fraud prevention and deterrence and encourage a culture of honest and ethical behaviour. As part of its oversight, the Audit and Standards Committee should consider the potential for override of controls and inappropriate influence over the financial reporting process.

As the Authority's external auditor, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

As part of our audit risk assessment procedures we are required to consider risks of fraud. This includes considering the arrangements management has put in place with regard to fraud risks including:

- assessment that the financial statements could be materially misstated due to fraud
- process for identifying and responding to risks of fraud, including any identified specific risks
- communication with the Audit and Standards Committee regarding its processes for identifying and responding to risks of fraud
- communication to employees regarding business practices and ethical behaviour.

We need to understand how the Audit and Standards Committee oversees the above processes. We are also required to make inquiries of both management and the Audit and Standards Committee as to their knowledge of any actual, suspected or alleged fraud. These areas have been set out in the fraud risk assessment questions below together with responses from the Authority's management.

Fraud risk assessment

Question	Management response
<p>Has the Authority assessed the risk of material misstatement in the financial statements due to fraud or error?</p> <p>What are the results of this process?</p>	<p>Yes –</p> <p>By staffing the Finance function of the Authority with appropriately professionally qualified and experienced officers, who adhere to both organisational ethics and a professional ethics framework.</p> <p>By establishing control systems to reduce risk through financial regulations and standing orders and financial instructions.</p> <p>By regular budget monitoring reports to highlight any unusual movements.</p> <p>By understanding and comparing the underlying position with prior years.</p> <p>NOTE – as the FRA Accounts are not company accounts and therefore do not have the same potential impact on share price and company value, nor the remuneration of employees/Members, then there is a significantly reduced risk of fraudulent misstatement.</p>
<p>What processes does the Authority have in place to identify and respond to risks of fraud?</p>	<p>Notice is taken in reference to regular National Bulletins from government and professional bodies notifying cases of specific issues. The National Fraud Initiative (NFI) is fully reviewed and no fraudulent matches have been found in the last 8 years. The Authority has access to Internal Audit in any case of suspected fraud. If there is any previous level of fraud experience it will influence the direction of assessments undertaken.</p>
<p>Have any specific fraud risks, or areas with a high risk of fraud, been identified and what has been done to mitigate these risks?</p>	<p>None.</p>
<p>Are internal controls, including segregation of duties, in place and operating effectively?</p> <p>If not, where are the risk areas and what mitigating actions have been taken?</p>	<p>Yes.</p> <p>n/a</p>

Fraud risk assessment (continued)

Question	Management response
Are there any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process (for example because of undue pressure to achieve financial targets) ?	No areas considered to be high risk.
Are there any areas where there is a potential for misreporting override of controls or inappropriate influence over the financial reporting process ?	No areas considered to be high risk.
How does the Audit and Standards Committee exercise oversight over management's processes for identifying and responding to risks of fraud and breaches of internal control? What arrangements are in place to report fraud issues and risks to the Audit and Standards Committee?	<p>The Audit and Standards Committee receives reports from Internal Audit on compliance with internal controls against a risk based plan approved by the Committee. In addition, the Committee receives a regular update on governance arrangements to provide assurance that intended controls are working. This is done through regular review of and adherence to:</p> <ul style="list-style-type: none"> Code of Corporate Governance – Committee Structure & Role of Members Standing Orders for the conduct of business and committee process Scheme of Delegation to Officers Standing Orders for the regulation of contracts Financial Regulations Members allowance scheme Member development programme Whistleblowing Policy Protocol for Member/Officers relations Gifts and hospitality register Register of interests for officers Protocol on the use of Authority resources by Members Anti-fraud and Corruption Policy Money Laundering Policy

Fraud risk assessment (continued)

Question	Management response
How does the Authority communicate and encourage ethical behaviour of its staff and contractors?	Anti-Money Laundering, Anti-Fraud and Corruption, Ethical Framework and Code of Conduct, and Confidential Reporting (Whistleblowing) Policies information are on the staff intranet. These policies are always current, but it is practice to bring them to the attention of staff on an annual basis. As part of the induction process both members and officers are given documentation of a code of conduct setting out key views and instructions on aspects of the business function; this is supported by training at budget-holders meetings and ethical behaviour instruction where appropriate, plus the distribution of relevant leaflets which are subject specific.
How do you encourage staff to report their concerns about fraud? Have any significant issues been reported ?	Confidential Reporting (Whistleblowing) Policy. None.
Are you aware of any related party relationships or transactions that could give rise to risks of fraud ?	No – the nature of the transactions with related parties do not tend to lend themselves to risk.
Are you aware of any instances of actual, suspected or alleged fraud, either within the Authority as a whole or within specific departments since 1 April 2013 ?	No.
Are you aware of any whistleblower reports or reports under the Bribery Act since 1 April 2013 ? If so, how has the Audit and Standards Committee responded to these ?	No. n/a

Laws and regulations

Issue

Matters in relation to laws and regulations

ISA(UK&I)250 requires us to consider the impact of laws and regulations in an audit of the financial statements.

Management, with the oversight of the Audit and Standards Committee, is responsible for ensuring that the Authority's operations are conducted in accordance with laws and regulations including those that determine amounts in the financial statements.

As auditor, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. As part of our risk assessment procedures we are required to make inquiries of management and the Audit and Standards Committee as to whether the entity is in compliance with laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Risk assessment questions have been set out below together with responses from management.

Impact of laws and regulations

Question	Management response
<p>What arrangements does the Authority have in place to prevent and detect non-compliance with laws and regulations ?</p>	<p>The Authority has appointed a Monitoring Officer and a Treasurer, both of whom are responsible for ensuring all applicable statutes and regulations are complied with. The Monitoring Officer will report to the Authority if he/she considers any proposal or decision to be unlawful.</p> <p>The Treasurer is required to report to the Authority if a decision has been made or is about to be made that involves incurring unlawful expenditure or any unlawful action in relation to the financial accounts.</p> <p>Legal, financial and risk considerations are highlighted in reports to the Authority and its Committees</p> <p>The Authority has a Whistleblowing Policy in place (latest review to be considered by Audit and Standards Committee on 17th April 2013) to enable staff to raise concerns regarding malpractice. In addition, the Authority's constitution incorporates Financial Regulations, Standing Orders for the Regulation of Contracts, Standing Orders for the Conduct of Business, the Scheme of Delegations to Officers and the local Code of Conduct for Authority Members to ensure business is conducted in compliance with existing law and regulations.</p>

Impact of laws and regulations (continued)

Question	Management response
How does management gain assurance that all relevant laws and regulations have been complied with ?	<p>The Monitoring Officer and Treasurer provide advice to the Senior Management Board on compliance with relevant laws and regulations.</p> <p>Internal Audit examine, evaluate and report on arrangements to ensure compliance with legislation and regulations, recommending to management any arrangements to address weaknesses, as necessary.</p> <p>The Strategic Risk Register sets out risk priorities, which will include any potential for changes to existing legislation and regulations and subsequent actions needed to be taken by management.</p> <p>There is an established process for developing Service Policies and Instructions to ensure staff comply with relevant laws and regulations.</p> <p>Lead officers and key staff are in place to ensure changes in statute and regulations are complied with, for example Finance, Human Resources, Committee & Members' Services, Data Management, Asset Management, Fire Safety.</p>

Impact of laws and regulations (continued)

Question	Management response
How is the Audit and Standards Committee provided with assurance that all relevant laws and regulations have been complied with ?	<p>The Monitoring Officer and Treasurer provide advice to the Audit and Standards Committee on compliance with relevant laws and regulations.</p> <p>The Committee is responsible for the approval of the Annual Governance Statement and the review of the related assurances which set out the system of internal control and detail the policies and procedures in place. This provides the Committee with assurance that management arrangements are in place for identifying and responding to changes in law and regulations and highlights any significant governance issues arising as a result of such changes.</p> <p>Internal Auditors' reports to the Audit and Standards Committee incorporate issues relating to compliance with legislation and regulations, where appropriate.</p>
Have there been any instances of non-compliance or suspected non-compliance with laws and regulations since 1 April 2013, or earlier with an on-going impact on the Authority's 2013/14 financial statements ?	None.

Impact of laws and regulations (continued)

Question	Management response
What arrangements does the Authority have in place to identify, evaluate and account for litigation or claims ?	<p>The Strategic Risk Register sets out risk priorities, which would include any potential for litigation or claims and subsequent actions needed to be taken by management.</p> <p>The Authority also has arrangements in place such as the Service Complaints Policy, Grievance Policy and Whistleblowing Policy that can identify potential litigation or claims.</p> <p>The Authority has delegated the Clerk (Monitoring Officer) to decide the action to be taken in respect of legal proceedings and other matters involving the Authority. The Authority has arrangements in place for insurance to protect against costs associated with litigation and claims.</p> <p>The Treasurer has responsibility to account for litigation or claims in the annual accounts that are considered by Audit and Standards Committee and subject to external audit.</p>
Is there any actual or potential litigation or claims that would affect the financial statements ?	None.
Have there been any reports from other regulatory bodies, such as HM Revenues and Customs which indicate non-compliance ?	None.

Going Concern

Issue

Matters in relation to going concern

ISA(UK&I)570 covers auditor responsibilities in the audit of financial statements relating to management's use of the going concern assumption in the financial statements.

The going concern assumption is a fundamental principle in the preparation of financial statements. Under this assumption entities are viewed as continuing in business for the foreseeable future. Assets and liabilities are recorded on the basis that the entity will be able to realise its assets and discharge its liabilities in the normal course of business.

Going concern considerations have been set out below and management has provided its response.

Going concern considerations

Question	Management response
Does the Authority have procedures in place to assess the Authority's ability to continue as a going concern ?	The Authority is established by statutory regulations and remains a going concern as a consequence.
Is management aware of the existence of other events or conditions that may cast doubt on the Authority's ability to continue as a going concern ?	No.
Are arrangements in place to report the going concern assessment to the Audit and Standards Committee ?	Yes.
Are the financial assumptions in that report (e.g. future levels of income and expenditure) consistent with the Authority's Business Plan and the financial information provided to the Authority throughout the year ?	MTFP is based on realistic assumptions . However the statutory requirement to deliver a balanced annual budget does not compromise the 'Going Concern assumptions' and the authority will continue to operate within the level of resources available.
Are the implications of statutory or policy changes appropriately reflected in the Business Plan, financial forecasts and report on going concern ?	Yes.
Have there been any significant issues raised with the Audit and Standards Committee during the year which could cast doubts on the assumptions made ? (Examples include adverse comments raised by internal audit regarding financial performance or significant weaknesses in systems of financial control).	No – Internal Audit Reports have been satisfactory.

Going concern considerations (continued)

Question	Management response
<p>Does a review of available financial information identify any adverse financial indicators including negative cash flow ?</p> <p>If so, what action is being taken in improve financial performance ?</p>	<p>Budget gaps identified in MTFP – areas for reduction to be agreed by the FRA meeting in February 2014.</p>
<p>Does the Authority have sufficient staff in post, with the appropriate skills and experience, particularly at senior manager level, to ensure the delivery of the Authority's objectives ?</p> <p>If not, what action is being taken to obtain those skills ?</p>	<p>Yes.</p>

Related Parties

Issues

Matters in relation to Related Parties

Fire and Rescue Authorities are required to comply with IAS 24 and disclose transactions with entities/individuals that would be classed as related parties. These may include:

- entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the authority (i.e. subsidiaries);
- associates;
- joint ventures;
- an entity that has an interest in the authority that gives it significant influence over the authority;
- key management personnel, and close members of the family of key management personnel, and
- post-employment benefit plans (pension fund) for the benefit of employees of the authority, or of any entity that is a related party of the authority.

A disclosure is required if a transaction (or series of transactions) is material on either side, i.e. if a transaction is immaterial from the Authority perspective but material from a related party viewpoint then the Authority must disclose it.

ISA (UK&I) 550 requires us to review your procedures for identifying related party transactions and obtain an understanding of the controls that you have established to identify such transactions. We will also carry out testing to ensure the related party transaction disclosures you make in the financial statements are complete and accurate.

Question	Management response
What controls does the Authority have in place to identify, account for and disclose related party transactions and relationships ?	Individual related party disclosures by senior staff and members, and awareness of major contracts.

Accounting estimates

Issue

Matters in relation to accounting estimates

Fire and Rescue Authorities apply appropriate estimates in the preparation of their financial statements. ISA (UK&I) 540 sets out requirements for auditing accounting estimates. The objective is to gain evidence that the accounting estimates are reasonable and the related disclosures are adequate.

Under this standard we have to identify and assess the risks of material misstatement for accounting estimates by understanding how the Authority identifies the transactions, events and conditions that may give rise to the need for an accounting estimate.

Accounting estimates are used when it is not possible to measure precisely a figure in the accounts. We need to be aware of all estimates that the Authority is using as part of its accounts preparation; these are detailed in appendix 1 to this report. The audit procedures we conduct on the accounting estimate will demonstrate that:

- the estimate is reasonable; and
- estimates have been calculated consistently with other accounting estimates within the financial statements.

We would ask the Audit and Standards Committee to satisfy itself that the arrangements for accounting estimates are adequate.

Question

Are the management arrangements for the accounting estimates, as detailed in Appendix A reasonable ?

Management response

Yes.

How is the Audit and Standards Committee provided with assurance that the arrangements for accounting estimates are adequate ?

By sight of the assumption methodologies before accounts are prepared.

Appendix A Accounting Estimates

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Property valuations	Property valuations are made by the external valuer from Worcestershire County Council.	Valuer notified of changes to the estate from the prior year	Use the external valuer (RICS qualified) from Worcestershire County Council	Valuations are made in-line with the CIPFA Code of Practice guidance - reliance on expert	No
Estimated remaining useful lives of PPE	Assets are assigned to asset categories with appropriate asset lives.	Consistent asset lives applied to each asset category.	Use the external valuer (RICS qualified) from Worcestershire County Council	The useful lives of property are recorded in accordance with the recommendations of the external RICS qualified valuer.	No
Depreciation	Depreciation is provided for on property plant and equipment with a finite useful life on a straight-line basis	Consistent application of depreciation method across assets	No	The length of the life is determined at the point of acquisition or revaluation.	No

Appendix A Accounting Estimates (Continued)

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Impairments	Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.	Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired.	Use the external valuer (RICS qualified) from Worcestershire County Council	Valuations are made in-line with the CIPFA Code of Practice guidance - reliance on expert	No
Non adjusting events - events after the balance sheet date	The Authority follows the requirements of the CIPFA Code of Practice.	The Treasurer is notified by the Chief Accountant.	This would be considered on individual circumstances	This would be considered on individual circumstances	No

Appendix A Accounting Estimates (Continued)

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Measurement of Financial Instruments	Measurements are obtained from appropriate sources. The Authority follows the requirements of the CIPFA Code of Practice.	The financial instruments are measured by the Chief Accountant and the accounts reviewed by the Treasurer .	No	The measurements are based upon the best information held at the current time and are provided by experts in their field.	No
Creditor accruals	Accruals are estimated by reviewing goods and services received prior to the end of the financial year for which an invoice has not been received.	The date of receipt of the goods and services is used in the estimation of the accrual.	No	The use of actual dates of receipt of goods and services gives a low degree of uncertainty.	No
Pension Fund Actuarial gains/losses	The actuarial gains and losses figures are calculated by the two actuarial experts (Mercers and Government Actuary Department) These figures are based on making % adjustments to the closing values of assets/liabilities.	For the Firefighters' pension scheme interim and final submissions made to the actuary. The Authority undertakes testing on the data prior to submission to the actuary and responds to queries raised by the actuary on the submission. For the LGPS the Authority responds to queries raised by the administering authority Worcestershire County Council.	The Authority are provided with an actuarial report by Mercers (LGPS) and Government Actuary Department (Firefighters' Pension Fund)	The nature of these figures forecasting into the future are based upon the best information held at the current time and are developed by experts in their field.	No

Appendix A Accounting Estimates (Continued)

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Provisions for liabilities	Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense line in the CI&ES in the year that the Authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties	Charged in the year that the Authority becomes aware of the obligation	No	Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service. Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income if it is virtually certain that reimbursement will be received by the Authority	No



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Report of ACFO – Director Service Support

9. Member Development Working Group Update

Purpose of report

1. To advise Members of the proceedings of the Member Development Working Group meeting held on 1 October 2013.
-

Recommendation

It is recommended that the contents of the report be noted.

Introduction and Background

2. The Member Development Working Group was established as an informal forum where Members and Officers:
 - i) Aim to make the Member Development Programme meaningful and appropriate to the role of each Authority Member.
 - ii) Ensure that the Member Development Programme contributes to the Authority achieving its core values, priorities and objectives more effectively and efficiently, as set out in the Members Development Strategy (attached at Appendix 1)
 - iii) Design and plan the Member Training Programme and present the Programme for approval by the Audit & Standards Committee.
3. Following the Annual General Meeting of the Fire Authority in June 2013 Group Leaders nominated the following Members to the Member Development Working Group:
 - Councillor A Amos
 - Councillor P Grove
 - Councillor R Jenkins
 - Councillor M Lloyd-Hayes

Members' Induction and Sessions arranged So Far – Identifying the Gaps

4. The Working Group met on 1 October 2013 and discussed the following sessions that had been held:
 - Induction Sessions, which included information on crewing systems, organisational structure and finances.

- Community Risk Management Plan Workshop.
 - Role of the Authority Member, which included the ethical framework.
 - Audit and Standards Committee Training.
 - Managing the Authority's Finances.
5. Feedback received from evaluation sheets has been very positive with Members finding the training sessions to be useful.
 6. The majority of Authority Members (20 Members) received training at their home authorities on the Code of Conduct that was introduced in 2012.

Future Sessions

7. The following sessions have been planned for the remainder of 2013/14:
 - Budget Seminar on 30 January 2014
 - Pensions Seminar (March 2014)
 - Major Operational Exercise (June 2014)

Members' Attendance at Sessions

8. Until the recent seminar on Managing the Authority's Finances Members' attendance figures had been relatively low, with an average of 7 Members attending each session. However a good attendance of 16 Members was recorded at this seminar. It was suggested that Members could be sent text messages to remind them of forthcoming training sessions and this is currently being investigated.
9. The Working Group discussed other methods of imparting information to Members and it was agreed that the monthly Members' Bulletin was a useful way to keep Members informed.

Future Themes for Member Development

10. The Member Development Working Group agreed that the 2014/15 Member Development programme should incorporate the role of national structures, such as the Chief Fire Officers' Association and the Local Government Association Fire Commission and their impact on the Fire Authority.
11. The Member Development Working Group will seek the views of Members on the 2013/14 programme and will then meet to commence planning the Member Training Programme for 2014/15.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	None
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	Proposals for Member Development accord with Our Strategy.
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	None
Consultation (identify any public or other consultation that has been carried out on this matter)	Members will be surveyed to ascertain their views regarding the Members' Development Programme
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	The Members' Development Programme has incorporated information on the Ethical Framework and Equality and Diversity.

Supporting Information

Appendix 1 – Member Development Strategy

Background papers – Member Development Working Group Terms of Reference

Contact Officer

Diana Glendenning, Corporate Support Officer
(01905 368241)
Email: dglendenning@hwfire.org.uk



Member Development Strategy 2013-2016

1. Introduction

The purpose of this Strategy is to ensure that Authority Members, Officers and staff are aware of the approach to the development of Members, why it is important and the roles they play in making this happen. This document brings together the aims of Member Development and the medium term priorities of the Authority. It also details how Members will be supported to fulfil their roles and contribute to the quality of our services.

2. Authority Priorities

The Member Development Strategy strives to contribute to the delivery of the Authority's Core Purpose, which is to 'provide our communities with sustainable, high quality firefighting, rescue and preventative services'.

This will be achieved by linking Member Development with the following foundations on which our core purpose is built:

- Fleet & Equipment: we will provide and maintain the right fleet, tools and equipment to ensure our staff can do their jobs effectively
- People: we will ensure we have the right people, with the right skills and training to carry out the right job at the right time
- Building & Infrastructure: we will provide appropriate premises in the right locations that enable our staff to carry out their roles effectively
- Resourcing for the Future: we will ensure that our actions now will secure our long term future
- Services: we will deliver targeted and quality services with the resources available to us
- Fire & Rescue Authority: we will engage with FRA Members in strategic matters affecting the Service

3. Member Development Aims & Objectives

The Member Development Strategy has the following 3 key aims:

- i) to maintain effective leadership of the Authority through on-going and continuous Member development;
- ii) to provide Members with the support, knowledge, skills and information necessary to enable them to effectively carry out their role, as set out below:

- to ensure that the Fire Authority provides an efficient and effective Fire and Rescue Service, taking into account the needs of all sections of the community;
 - to contribute actively to the formation and scrutiny of the Fire Authority's decisions, policies, priorities, plans, targets, budget and service delivery;
 - to ensure that the Fire Authority delivers value for money; and
 - to ensure that the Fire Authority is an equal opportunity employer that focuses on the safety of employees, and considers the needs of all sections of the community.
- iii) To ensure Members are made aware and kept up to date with developments impacting on the organisation through seminars, workshops and bulletins.

These aims will be realised through ensuring that:

- member Development Champions are appointed by the Authority;
- key competencies are identified for Authority Members;
- access to training and development activities is guided by the Authority's Ethical Framework and Equality Scheme;
- this strategy derives from and contributes to the Authority's strategic objectives;
- training activities are provided in response to identified organisational, individual and statutory needs; and
- development opportunities provided by constituent authorities are incorporated in to the development programme developed by the Authority.

4. Member Development Policy

Member Induction

All newly appointed Members should attend the Induction session which will cover the basic areas of knowledge necessary, such as the key roles and responsibilities of Authority Members, the legislative framework for the fire and rescue services and the financial context. Members will be provided with training on the Code of Conduct by their constituent authorities and attendance at these sessions will be monitored.

The Induction session will be open to existing members whose experience will prove invaluable to new Members.

Member Development Programme

All Authority Members will be provided with the opportunity to put forward their training needs which will be fed in to the Member Development Programme. The programme will be compiled by the Committee & Members' Service Team, in conjunction with the Member Development Working Group, Group Leaders and the Senior Management Board. The Programme will be approved by the Audit Committee.

The programme will include core sessions for all Members, with a key theme being identified for each year. In addition, essential training for Members will be provided on the role and function of their respective Committees. Opportunities for all Members to remain up to date with developments in service delivery will also be provided.

The Programme for Authority Members will be Fire and Rescue specific and will developed with the constituent authorities to prevent unnecessary duplication.

Opportunities to provide joint training events with other Authorities will be explored where possible.

Support

The majority of seminars and briefings will be delivered in-house. Officers with specific knowledge in key areas will be expected to provide sessions and/or demonstrations for Members. The Committee and Members' Services team will provide information and support to Officers holding briefings and delivering training seminars.

Committee & Members' Services will also:

- support the Member Development Working Group and Member Development Champions;
- consult with Members and officers to identify key competencies for Members;
- identify learning opportunities for Members;
- co-ordinate the Member Development programme;
- liaise with constituent authorities to ensure development opportunities are complimentary; and
- analyse feedback from Members.

Review

The Member Development Programme will be evaluated annually by the Member Development Working Group through assessment of areas such as Member feedback, attendance levels and feedback from training facilitators, Group Leaders and SMB.