



HEREFORD & WORCESTER Fire Authority

Audit and Standards Committee

AGENDA

Wednesday, 20 July 2022

14:00

**Wyre Forest Fire Station
Unit 3, Stourpoint 5, Stourport Road, Kidderminster,
Worcestershire, DY11 7FL**

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- the right to inspect background papers on which reports are based for a period of up to four years from the date of 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.



Hereford & Worcester Fire Authority

Audit and Standards Committee

Wednesday, 20 July 2022, 14:00

Agenda

Councillors

Mr M Hart (Chairman), Mr A Amos (Vice Chairman), Mr D Boatright, Mr S Bowen, Mr B Brookes, Mr B Clayton, Mr I D Hardiman, Mr Al Hardman, Mrs E Marshall, Ms N McVey, Mr R J Morris, Mrs D Toynbee

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 Interest (if any) This item allows the Chairman to invite any Councillor to declare an interest in any of the items on this Agenda.	
4	Confirmation of Minutes To confirm the minutes of the meeting held on 20 April 2022.	1 - 5
5	External Audit Plan (2020/21 Accounts) To consider the Audit Plan from the Authority's External Auditor, Grant Thornton UK LLP, which sets out the work to be undertaken in 2022/23 in respect of the 2021/22 Audit.	6 - 33
6	Informing the Audit Risk Assessment 2021/22 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 2022/23 in respect of the 2021/22 Accounts.	34 - 66

7	Internal Audit Annual Report 2021/22	67 - 92
	To provide the Committee with: <ul style="list-style-type: none"> the overall results in terms of meeting Internal Audit's (IA's) objectives as set out in the internal audit plan for 2021/2022, an audit opinion and commentary on the overall adequacy and effectiveness of the internal control environment. a copy of the current internal audit charter. 	
8	Internal Audit Progress Report	93 - 104
	To provide an update in regards to the delivery of the Internal Audit plan 2021/22 and 2022/23.	
9	Risk Management and Strategic Risk Register – Annual Update	105 - 112
	To provide the Audit and Standards Committee with an annual update on the Risk Management Framework and Strategic Risk Register.	
10	Equality Objectives 2021-2025 – Update for Quarter 3 and Quarter 4 2021-2022	113 - 119
	To provide a summary of progress against the Service's Equality Objectives 2021 -2025 for Quarter 3 and Quarter 4 2021-2022.	
11	Prevention Cause of Concern – Action Plan Update	120 - 130
	To provide an update on the action plan created to discharge the Cause of Concern issued by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) in relation to Prevention Activity.	
12	Health and Safety Committee Update: January to March 2022 (Quarter 4)	131 - 146
	The purpose of this report is to provide a Health & Safety update on activities and items of significance.	

Mr M Hart (Chairman), Mr A Amos (Vice Chairman), Mr D Boatright, Mr S Bowen, Mr B Brookes, Mr B Clayton, Mr I D Hardiman, Mr Al Hardman, Mrs E Marshall, Ms N McVey, Mr R J Morris, Mrs D Toynbee



Hereford & Worcester Fire Authority

Audit and Standards Committee

Wednesday, 20 April 2022, 10:30

Chairman: Mr M Hart

Vice-Chairman: Mr A Amos

Minutes

Members Present: Mr A Amos, Mr D Boatright, Mr S Bowen, Mr B Clayton, Mr I D Hardiman, Mr Al Hardman, Mr M Hart, Mrs E Marshall, Ms N McVey

234 Apologies for Absence

There were no apologies.

235 Named Substitutes

There were no named substitutes.

236 Declarations of Interest (if any)

There were no interests declared.

237 Confirmation of Minutes

RESOLVED that the minutes of the meeting held on 19 January 2022 be confirmed as a correct record and signed by the Chairman.

238 Internal Audit Progress Report 2021/22

The Head of Internal Audit Shared Service presented Members with an update in regards to the delivery of the Internal Audit Plan 2021/22.

Members noted that the four core financial reviews had been completed and no high priority recommendations had been reported. The final two areas would be brought to the Committee upon completion.

RESOLVED that the report be noted.

239 Draft Annual Governance Statement 2021/22

The Head of Legal Services presented Members with the draft Annual Governance Statement 2021/22 for approval.

Members were informed that the Authority has to review its governance arrangements once a year via self assessment. Members were pleased to note that the Authority had provided evidence of compliance with all the core and supporting principles of good governance. There were no areas where immediate action was required and there were no areas where the direction of travel had decreased during 2021/22 where the status was less than satisfactory.

Members were pleased to note that this was the first time that all areas were 'green' which gave the assurance necessary to approve the draft annual statement.

RESOLVED that the draft Annual Governance Statement 2021/22 be approved.

240 Core Code of Ethics for Fire and Rescue Services

The Chief Fire Officer updated Members on progress to implement the Core Code of Ethics for Fire and Rescue Services and to make a recommendation to the Authority that the Constitution be amended to reflect a commitment by Members to champion the Core Code throughout the Service.

Members noted the five ethical principles of the Core Code of Ethics set out to improve organisational culture and workforce diversity of FRSs, ensuring that communities were supported in the best way.

Members were asked to endorse the implementation of the Core Code and approve the proposed amendment to Part 2 of the Articles of the Constitution.

RESOLVED that:

- i) The implementation of the Core Code of Ethics be endorsed; and***
- ii) The Authority be recommended to amend the key roles of all Members, as set out in Article 2.3(a) of the Authority's constitution, by the addition of:***

All Members will

- (ix) commit to following the Core Code of Ethics for Fire and Rescue Services and championing its use throughout the***

Service.

241 Prevention Cause of Concern – Action Plan Update

The Deputy Chief Fire Officer updated Members on the action plan created to discharge the Cause of Concern issued by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) in relation to Prevention Activity.

Members noted the update on the action plan and the key work streams identified still to be completed to make the necessary improvements.

Members also noted that HMICFRS were returning at the end of July to do a short revisit to look at evidence provided to them.

A Member requested further details on the response from the engagement of home fire safety promotions. The Deputy Chief Fire Officer confirmed he would provide statistics out of the meeting.

RESOLVED that progress against the action plan created to discharge the cause of concern in relation to Prevention activity be noted.

242 Annual Compliments, Complaints, Concerns and Requests for Information 2021/22

The Head of Legal Services presented a report on compliments, complaints, concerns and requests for information made by the public to the Service over the past 12 months.

Members were informed that there were slightly fewer complaints over the past 12 months compared to last year and were assured that officers were satisfied that there were no recurring themes or trends in the concerns and complaints to give any cause for concern.

Members noted that there continues to be a high volume of FOI requests, which takes up a considerable amount of staff time. Where possible the Service is putting as much information on the website as possible for the public. The Service was also looking at how they can also put a summary of incident reports on the website to be more proactive.

Members also noted that although there were only a small number of Subject Access Requests, these were also extremely time consuming.

Members were assured that all complaints are investigated by duty officers, draft responses are sent to Legal Services to be reviewed and all complainants can ask for a further review by the Assistant Chief Fire

Officer or make a complaint to the Local Government Ombudsman.

A Member requested further details on the poor response/service complaint and the Head of Legal Services would provide this information out of the meeting.

RESOLVED that the Committee notes that during the period 1 April 2021 to 31 March 2022:

i) a total of 270 requests for information containing 830 queries about the Service were received. No requests were passed to the Information Commissioners Office for review.

ii) a total of 40 compliments were received from the public;

iii) 28 complaints about Service activities were made;

iv) 15 complaints or concerns were received about activities carried out by other organisations or individuals; and

v) One of the complainants appealed the response provided and none were passed to the Local Government Ombudsman for further investigation.

243 Health and Safety Committee Update: October – December 2021 (Quarter 3)

The Assistant Chief Fire Officer presented the Committee with a Health and Safety update on activities and items of significance.

Members were pleased to note that the number of safety events recorded in Quarter 3 had decreased by 10 compared to the previous quarter.

Members also noted that the Health and Safety Advisor had worked with the Training Centre to ensure 10 response staff received the manual handling 'Train the Trainer' course to improve manual handling training across the Service to help reduce personal injury incidents.

RESOLVED that the following issues, in particular, be noted:

(i) The involvement of the Service in Health and Safety initiatives; and

(ii) Health and Safety performance information recorded during October to December 2021 (Quarter 3).

The Meeting ended at: 11:25

Signed:.....

Date:.....

Chairman

Report of the Treasurer

External Audit Plan (2020/21 Accounts)

Purpose of Report

1. To consider the Audit Plan from the Authority's External Auditor, Grant Thornton UK LLP, which sets out the work to be undertaken in 2022/23 in respect of the 2021/22 Audit.
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Recommendation

The Treasurer recommends that the External Audit Plan 2022/23 (2021/22 Accounts (including proposed Audit Fee) be noted.

Introduction & Background

2. The External Auditor is required to inform the Authority of the work that will be undertaken during an annual audit and that this is submitted in the form of an Audit Plan.
3. The Audit Plan is based on the Grant Thornton's risk-based approach to audit planning.
4. Grant Thornton comply with the statutory requirements that govern their work in particular:
 - The National Audit Office Code of Audit Practice
 - International Standards on Auditing (ISA) (UK)
 - Financial Reporting Council (FRC)

Key Milestones and Deadlines

5. The Authority is required to prepare the accounting statements for 2021/22 by 31 July 2022, and is required to publish the accounts along with the Auditor's Opinion, by 30 September 2022.
6. The proposed timetable and planned outputs (including the approach to Value for Money (VFM)) are contained within the report which will be presented by Grant Thornton.

Audit Fee

7. Members will be aware that the Audit fee rose from £35,000 for the audit of the 2019/20 Accounts to £44,000 for the 2020/21 Accounts. This included the

planned changes (increase) to work required as indicated in last year's plan, and the additional work required around Fixed Asset valuations.

8. Late in 2021/22 government provided a £13,000 grant towards this additional audit burdens, so the net cost to the Authority actually went down to £31,000.
9. The proposed fee for the 2021/22 Accounts is marginally lower than last year at £43,000, and there is a possibility that government may provide further grant.
10. The Treasurer considers the fee to be reasonable, and it is certainly not as excessive as other Fire Authorities are receiving from other Auditors.

Conclusion

11. The Audit Plan sets out the work that will be undertaken during the audit of the 2021/22 Accounts. The Plan is based on Grant Thornton's risk based approach to audit planning. However, the audit does not relieve the management or the Audit and Standards Committee, as those charged with governance of their responsibilities.

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 – External Audit Plan

Hereford & Worcester Fire Authority audit plan

Year ending 31 March 2022

20 July 2022



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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 planning 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 the Authority or all 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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Significant improvements from the Financial Reporting Council's (FRC) quality inspection

On 29 October, the FRC published its annual report setting out the findings of its review of the work of local auditors. The report summarises the results of the FRC's inspections of twenty audit files for the last financial year. A link to the report is here: [FRC AQR Major Local Audits October 2021](#)

Grant Thornton are one of seven firms which currently delivers local audit work. Of our 330 local government and NHS audits, 87 are currently defined as 'major audits' which fall within the scope of the AQR. This year, the FRC looked at nine of our audits.

Our file review results

The FRC reviewed nine of our audits this year. It graded six files (67%) as 'Good' and requiring no more than limited improvements. No files were graded as requiring significant improvement, representing an impressive year-on-year improvement. The FRC described the improvement in our audit quality as an 'encouraging response by the firm to the quality findings reported in the prior year.' Our Value for Money work continues to be delivered to a high standard, with all of the files reviewed requiring no more than limited improvement. We welcome the FRC findings and conclusions which demonstrate the impressive improvement we have made in audit quality over the past year.

The FRC also identified a number of good practices including effective challenge of management's valuer, use of an auditor's expert to assist with the audit of a highly specialised property valuation, and the extent and timing of involvement by the audit partner on the VFM conclusion.

Our results over the past three years are shown in the table below:

Grade	Number 2018/19	Number 2019/20	Number 2020/21
Good with limited improvements (Grade 1 or 2)	1	1	6
Improvements required (Grade 3)	2	5	3
Significant improvements required (Grade 4)	1	0	0
Total	4	6	9

Our continued commitment to Audit quality and continuous improvement

Our work over the past year has been undertaken during the backdrop of COVID, when the public sector has faced the huge challenge of providing essential services and helping safeguard the public during the pandemic. Our NHS bodies in particular have been at the forefront of the public health crisis. As auditors we have had to show compassion to NHS staff deeply affected by the crisis, whilst staying focused on the principles of good governance and financial management, things which are more important than ever. We are very proud of the way we have worked effectively with audited bodies, demonstrating empathy in our work whilst still upholding the highest audit quality.

Significant improvements from the Financial Reporting Council's (FRC) quality inspection (cont.)

Over the coming year we will make further investments in audit quality including strengthening our quality and technical support functions, and increasing the level of training, support and guidance for our audit teams. We will address the specific improvement recommendations raised by the FRC, including:

- Enhanced training for local auditors on key assumptions within property valuations, and how to demonstrate an increased level of challenge
- Formalising our arrangements for the consideration of complex technical issues by Partner Panels.

As part of our enhanced Value for Money programme, we will focus on identifying the scope for better use of public money, as well as highlighting weaknesses in governance or financial stewardship where we see them.

Conclusion

Local audit plays a critical role in the way public sector audits an society interact, and it depends on the trust and confidence of all those who rely on it. As a firm we're proud to be doing our part to promote good governance, effective stewardship and appropriate use of public funds.

Key matters

Factors

Her Majesty's Inspectorate of Constabulary and Fire & Rescue Service (HMICFRS)

The Authority's Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) 2021/22, Effectiveness, Efficiency and People report concluded that in each of the three areas Effectiveness, Efficiency and People the Authority was rated as "Requires Improvement" compared to the 2018/19 report which rated the Authority as "Good" in relation to "Effectiveness" and "Requires Improvement" in relation to "Efficiency and People", compared to an expected grade of "good".

This report, covering the second full inspection, was published on 15 December 2021. In its' response to the first inspection report, from December 2018, the Authority produced a detailed response / action plan, progress against which was reported quarterly to Members. We expect that the same approach will be taken this time.

Financial position

The Authority is forecasting expenditure for the year of £35.23m compared to a revised budget at quarter two of £35.35m. As in previous years, in-year finances have been well controlled. However, our value for money planning work has identified that the Medium Term Financial Plan, approved in February 2022, shows "Structural Budget Gaps" of £0.238m (2022/23); £0.133m (23/24) and £0.402m (24/25) - all to be funded from reserves, primarily the Budget Reduction Reserve. This reserve will then have decreased from £1.428m to £0.779m. This is around two years at the rate of £0.400m a year. This represents a significant risk as the Authority needs to be able to balance its budget without the ongoing use of reserves.

Recovery from Covid 19 pandemic

The Authority continues to respond well to the impact of Covid-19. Internally, business continuity has been good, with officers working from home and from Hindlip as required. As a significant majority of the workforce is fire fighters, who have needed to be at fire stations, the Authority has been able to deliver services as "normal".

Our response

- As a firm, we are absolutely committed to audit quality and financial reporting in the local government sector. Our proposed work and fee, as set further in our Audit Plan, has been agreed with the Director of Finance.
- We will consider the Authority's response to the HMICFRS report as part of our Value for Money work.
- We will consider your arrangements for managing and reporting your financial resources as part of our work in completing our Value for Money work.
- In our 2020/21 Auditors' Annual Report, presented to the Audit & Standards Committee on 19 January 2022, we identified two improvement recommendations. We will follow up progress against these as part of our Value for Money work.
- In our 2020/21 Audit Findings Report, presented to the Audit & Standards Committee on 19 January 2022, we identified four recommendations. We will follow up progress against these as part of our financial statements opinion work.

Introduction and headlines

Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Hereford & Worcester Fire Authority ('the Authority') for those charged with governance.

Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of Hereford & Worcester Fire Authority]. We draw your attention to both of these documents.

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Authority's financial statements that have been prepared by management with the oversight of those charged with governance (the Audit & Standards Committee); and we consider whether there are sufficient arrangements in place at the Authority for securing economy, efficiency and effectiveness in your use of resources. Value for money relates to ensuring that resources are used efficiently to maximise the outcomes that can be achieved.

The audit of the financial statements does not relieve management or the Audit & Standards Committee of your responsibilities. It is the responsibility of the Authority to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Authority is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Authority's business and is risk based.

Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Under ISA (UK&I) 240 it is presumed that the risk of management over-ride of controls is present in all entities.
- The Authority's pension fund net liability as reflected in its balance sheet represent significant estimates in the financial statements.
- The valuation of the Authority's land and buildings.

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Materiality

We have determined planning materiality to be £0.8m (PY £0.8m) for the Authority, which equates to 2% of your prior year gross expenditure. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at £0.4m (PY £0.04m).

Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money have identified the following risk of significant weakness:

- Financial sustainability.

Audit logistics

Our interim visit took place in April and our final visit will take place in August to November. Our key deliverables are this Audit Plan, our Audit Findings Report and Auditor's Annual Report.

Our fee for the audit will be £43,361 (PY: £44,311) for the Authority, subject to the Authority delivering a good set of financial statements and working papers.

We have complied with the Financial Reporting Council's Ethical Standard (revised 2019) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements..

Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
The revenue cycle includes fraudulent transactions (rebutted)	Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Authority, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited • the culture and ethical frameworks of local authorities, including Hereford & Worcester Fire Authority, mean that all forms of fraud are seen as unacceptable. <p>Therefore we do not consider this to be a significant risk for Hereford & Worcester Fire Authority.</p>
Fraudulent expenditure recognition (rebutted)	In line with the Public Audit Forum Practice Note 10, in the public sector, auditors must also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period).	<p>We have rebutted this risk for Hereford & Worcester Fire Authority because:</p> <ul style="list-style-type: none"> • expenditure is primarily related to employee costs • opportunity to manipulate contract variations is low. <p>We therefore do not consider this to be a significant risk for Hereford & Worcester Fire Authority.</p> <p>We will continue to review material expenditure transactions as part of our audit ensuring that it remains appropriate to rebut the risk of expenditure recognition for Hereford & Worcester Fire Authority.</p>

Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Management over-ride of controls	<p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>To address this risk we will:</p> <ul style="list-style-type: none"> • evaluate the design effectiveness of management controls over journals • analyse the journals listing and determine the criteria for selecting high risk unusual journals • test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration • gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.

Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of pension fund net liability	<p>The Authority's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£408m in the Authority's prior year balance sheet) and the sensitivity of the estimate to changes in key assumptions.</p> <p>The methods applied in the calculation of the IAS 19 estimates are routine and commonly applied by all actuarial firms in line with the requirements set out in the Code of practice for local government accounting (the applicable financial reporting framework). We have therefore concluded that there is not a significant risk of material misstatement in the IAS 19 estimate due to the methods and models used in their calculation.</p> <p>The source data used by the actuaries to produce the IAS 19 estimates is provided by administering authorities and employers. We do not consider this to be a significant risk as this is easily verifiable.</p> <p>The actuarial assumptions used are the responsibility of the entity but should be set on the advice given by the actuary. A small change in the key assumptions (discount rate, inflation rate, salary increase and life expectancy) can have a significant impact on the estimated IAS 19 liability. In particular the discount and inflation rates where, in the prior year, the actuary indicated that a 0.5% change in the discount rate assumption would have approximately £40m effect on the liability and a 0.5% change in the inflation rate (salary increase) assumption would have approximately £6.5m. We have therefore concluded that there is a significant risk of material misstatement in the IAS 19 estimate due to the assumptions used in their calculation. With regard to these assumptions we have therefore identified valuation of the Authority's pension fund net liability as a significant risk.</p>	<p>To address this risk we will:</p> <ul style="list-style-type: none"> • update our understanding of the processes and controls put in place by management to ensure that the Authority's pension fund net liability is not materially misstated and evaluate the design of the associated controls • evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work • assess the competence, capabilities and objectivity of the actuary who carried out the Authority's pension fund valuation • assess the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability • test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary • undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report • obtain assurances from the auditor of Worcestershire Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of land and buildings	<p>The Authority revalues its land and buildings on an annual basis. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions. Additionally, management will need to ensure the carrying value in the financial statements is not materially different from the current value or the fair value (for surplus assets) at the financial statements date, where a rolling programme is used.</p> <p>Our work in this area in 2020/21 took longer than we had anticipated. This is because the valuations were completed by Place Partnership Limited, and then revisited by West Mercia Police and Crime Commissioner valuers, with some being amended. The supporting evidence for some of the valuations was not readily available and took time to obtain. When the evidence and supporting information was received we found that, for several properties, it was inconsistent with our expectations. Further challenge of the valuer work resulted in all of the property valuations being revisited. The value of operational property assets reduced in value by £5.055m and surplus assets increased by £0.645m. The net effect is a decrease in property valuations of £4.410m. Of this, £1.835m was taken to the Cost of Services in the CIES, and £2.575m was taken to the revaluation reserve.</p> <p>While we understand that arrangements for the valuation of land and buildings have been strengthened for 2021/22, in light of the challenges noted in the first paragraph above, we have therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>To address this risk we will:</p> <ul style="list-style-type: none"> • evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work • evaluate the competence, capabilities and objectivity of the valuation expert • write to the valuer to confirm the basis on which the valuation was carried out • challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding • test revaluations made during the year to see if they have been input correctly into the Authority's asset register • evaluate the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value at year end.

Accounting estimates and related disclosures

The Financial Reporting Council issued an updated ISA (UK) 540 (revised): *Auditing Accounting Estimates and Related Disclosures* which includes significant enhancements in respect of the audit risk assessment process for accounting estimates. We identified one recommendation in our 2020/21 audit in relation to the Authority's estimation process for the valuation of land and buildings.

Introduction

Under ISA (UK) 540 (Revised December 2018) auditors are required to understand and assess an entity's internal controls over accounting estimates, including:

- The nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates;
- How management identifies the need for and applies specialised skills or knowledge related to accounting estimates;
- How the entity's risk management process identifies and addresses risks relating to accounting estimates;
- The entity's information system as it relates to accounting estimates;
- The entity's control activities in relation to accounting estimates; and
- How management reviews the outcomes of previous accounting estimates.

As part of this process auditors also need to obtain an understanding of the role of those charged with governance, which is particularly important where the estimates have high estimation uncertainty, or require significant judgement.

Specifically do Audit & Standards Committee members:

- Understand the characteristics of the methods and models used to make the accounting estimates and the risks related to them;
- Oversee management's process for making accounting estimates, including the use of models, and the monitoring activities undertaken by management; and
- Evaluate how management made the accounting estimates?



Accounting estimates and related disclosures

Additional information that will be required

To ensure our compliance with this revised auditing standard, we will be requesting further information from management and those charged with governance during our audit for the year ended 31 March 2022.

Based on our knowledge of the Authority we have identified the following material accounting estimates for which this is likely to apply:

- Valuations of land and buildings properties
- Depreciation
- Valuation of defined benefit net pension fund liabilities
- Fair value estimates in respect of surplus assets and PWLB borrowing

The Authority's Information systems

In respect of the Authority's information systems we are required to consider how management identifies the methods, assumptions and source data used for each material accounting estimate and the need for any changes to these. This includes how management selects, or designs, the methods, assumptions and data to be used and applies the methods used in the valuations.

When the models used include increased complexity or subjectivity, as is the case for many valuation models, auditors need to understand and assess the controls in place over the models and the data included therein. Where adequate controls are not in place we may need to report this as a significant control deficiency and this could affect the amount of detailed substantive testing required during the audit.

If management has changed the method for making an accounting estimate we will need to fully understand management's rationale for this change. Any unexpected changes are likely to raise the audit risk profile of this accounting estimate and may result in the need for additional audit procedures.

We are aware that the Authority uses management experts in deriving some of its more complex estimates, e.g. asset valuations and pensions liabilities. However, it is important to note that the use of management experts does not diminish the responsibilities of management and those charged with governance to ensure that:

- All accounting estimates and related disclosures included in the financial statements have been prepared in accordance with the requirements of the financial reporting framework, and are materially accurate;
- There are adequate controls in place at the Authority (and where applicable its service provider or management expert) over the models, assumptions and source data used in the preparation of accounting estimates.



Estimation uncertainty

Under ISA (UK) 540 we are required to consider the following:

- How management understands the degree of estimation uncertainty related to each accounting estimate; and
- How management address this estimation uncertainty when selecting their point estimate.

For example, how management identified and considered alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the point estimate used.

The revised standard includes increased emphasis on the importance of the financial statement disclosures. Under ISA (UK) 540 (Revised December 2018), auditors are required to assess whether both the accounting estimates themselves and the related disclosures are reasonable.

Where there is a material uncertainty, that is where there is a significant risk of a material change to the estimated carrying value of an asset or liability within the next year, there needs to be additional disclosures. Note that not all material estimates will have a material uncertainty and it is also possible that an estimate that is not material could have a risk of material uncertainty.

Where there is material estimation uncertainty, we would expect the financial statement disclosures to detail:

- What the assumptions and uncertainties are;
- How sensitive the assets and liabilities are to those assumptions, and why;
- The expected resolution of the uncertainty and the range of reasonably possible outcomes for the next financial year; and
- An explanation of any changes made to past assumptions if the uncertainty is unresolved.

Planning enquiries

As part of our planning risk assessment procedures we have prepared and agreed with management a separate document (Informing the audit risk assessment 2021-22) that will be being presented to the Audit & Standards Committee alongside this audit plan.

Further information

Further details on the requirements of ISA (UK) 540 (Revised December 2018) can be found in the auditing standard on the Financial Reporting Council's website:

[https://www.frc.org.uk/getattachment/0fa69c03-49ec-49ae-a8c9-cc7a2b65382a/ISA-\(UK\)-540-Revised-December-2018-final.pdf](https://www.frc.org.uk/getattachment/0fa69c03-49ec-49ae-a8c9-cc7a2b65382a/ISA-(UK)-540-Revised-December-2018-final.pdf)

Other matters

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the Authority.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with requirements set by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
 - giving electors the opportunity to raise questions about your 2021/22 financial statements, consider and decide upon any objections received in relation to the 2021/22 financial statements;
 - issuing a report in the public interest or written recommendations to the Authority under section 24 of the Local Audit and Accountability Act 2014 (the Act).
 - application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act
 - issuing an advisory notice under section 29 of the Act
- We certify completion of our audit.

Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

Materiality

The concept of materiality

Materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality for planning purposes

We have determined financial statement materiality based on a proportion of the gross expenditure of the Authority for the financial year. In the prior year we used the same benchmark. Materiality at the planning stage of our audit is £0.8m (PY £0.8m) for the Authority, which equates to 2% of your gross expenditure for the prior year. We design our procedures to detect errors in specific accounts at a lower level of precision. We have set a separate lower materiality level for the disclosure note on remuneration of individual senior managers. In view of the sensitivity of this note to the reader of the accounts, we have set a materiality level of 2% of the senior officers note. In the prior year the total of this note was £0.647m. Applying 2% gives £0.013m.

We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

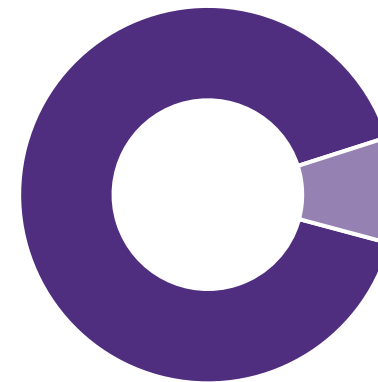
Matters we will report to the Audit & Standards Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit & Standards Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria. In the context of the Authority, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £0.04m (PY £0.04m).

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit & Standards Committee to assist it in fulfilling its governance responsibilities.

Prior year gross operating costs

£41.962m Authority



■ [Forecast/Prior year] gross operating costs

Materiality



IT audit strategy

In accordance with ISA (UK) 315, we are required to obtain an understanding of the information systems relevant to financial reporting to identify and assess the risks of material misstatement. As part of this we obtain an understanding of the controls operating over relevant Information Technology (IT) systems i.e., IT general controls (ITGCs). Our audit will include completing an assessment of the design of ITGCs related to security management; technology acquisition, development and maintenance; and technology infrastructure. Based on the level of assurance required for each IT system the assessment may focus on evaluating key risk areas ('streamlined assessment') or be more in depth ('detailed assessment').

The following IT systems have been judged to be in scope for our audit and based on the planned financial statement audit approach we will perform the indicated level of assessment:

IT system	Audit area	Planned level IT audit assessment
Technology One	Financial reporting	<ul style="list-style-type: none"> Streamlined ITGC design assessment

Value for Money arrangements

Approach to Value for Money work for 2021/22

The National Audit Office (NAO) issued updated guidance for auditors in April 2020. The Code requires auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under three specified reporting criteria. These are as set out below:



Improving economy, efficiency and effectiveness

Arrangements for improving the way the body delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Financial Sustainability

Arrangements for ensuring the body can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years)



Governance

Arrangements for ensuring that the body makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the body makes decisions based on appropriate information



Risks of significant VFM weaknesses

As part of our planning work, we considered whether there were any risks of significant weakness in the body's arrangements for securing economy, efficiency and effectiveness in its use of resources that we needed to perform further procedures on. The risks we have identified are detailed in the first table below, along with the further procedures we will perform. We may need to make recommendations following the completion of our work. The potential different types of recommendations we could make are set out in the second table below.

Risks of significant weakness

Those risks requiring audit consideration and procedures to address the likelihood that proper arrangements are not in place at the body to deliver value for money.



Financial Sustainability

The Fire Authority Medium Term Financial Plan, approved in February 2022, shows "Structural Budget Gaps" of £0.238m (2022/23); £0.133m (23/24) and £0.402m (24/25) - all to be funded from reserves, primarily the Budget Reduction Reserve. This reserve will then have decreased from £1.428m to £0.779m. This is around two years at the rate of £0.400m a year. This represents a significant risk as the Authority needs to be able to balance its budget without the ongoing use of reserves.

To address this risk we will review the long term plans to ensure a balanced budget can be achieved without the need to use reserves.

Potential types of recommendations

A range of different recommendations could be made following the completion of work on risks of significant weakness, as follows:



Statutory recommendation

Written recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.



Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.



Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements

Audit logistics and team


Planning and
risk assessment

Audit & Standards
Committee
20 July 2022


Audit Plan


Year end audit
August - November

Audit & Standards
Committee
TBC


Audit Findings
Report/Draft
Auditor's Annual
Report

Audit
opinion

Audit & Standards
Committee
TBC


Auditor's
Annual
Report

Avtar Sohal, Key Audit Partner

Avtar's role will be to:

- be a key contact for the Chief Fire Officer, the Director of Finance & Assets (Treasurer) and the Audit & Standards Committee; and
- take overall responsibility for the delivery of a high quality audit, meeting the highest professional standards and adding value to the Authority.

Neil Preece, Audit Manager

Neil's role will be to manage the delivery of a high quality audit, meeting the highest professional standards and adding value to the Authority.

Harvinder Panesar, Audit Incharge

Harvinder's role will be to:

- be the day to day contact for Authority finance staff;
- take responsibility for ensuring there is effective communication and understanding by finance team of audit requirements;
- focus on the more technical aspect of the audit and to discuss emerging national technical matters as they arise and deal with technical matters raised by the you throughout the year in a timely manner.

Audited body responsibilities

Where audited bodies do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other audits. Where the elapsed time to complete an audit exceeds that agreed due to a client not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to a client not meeting their obligations we are not able to guarantee the delivery of the audit to the agreed timescales. In addition, delayed audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit, you need to ensure that you:

- produce draft financial statements of good quality by the agreed timetable you have agreed with us, including all notes, the Narrative Report and the Annual Governance Statement
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you
- ensure that the agreed data reports are available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples for testing
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit
- respond promptly and adequately to audit queries.

Audit fees

In 2017, PSAA awarded a contract of audit for Hereford & Worcester Fire Authority to begin with effect from 2018/19. The fee agreed in the contract was £25,311. Since that time, there have been a number of developments, particularly in relation to the revised Code and ISA's which are relevant for the 2021/22 audit.

Across all sectors and firms, the FRC has set out its expectation of improved financial reporting from organisations and the need for auditors to demonstrate increased scepticism and challenge and to undertake additional and more robust testing, as detailed on pages 11-12 in relation to the updated ISA (UK) 540 (revised): Auditing Accounting Estimates and Related Disclosures.

As a firm, we are absolutely committed to meeting the expectations of the FRC with regard to audit quality and public sector financial reporting. Our proposed work and fee for 2021/22, as set out below, has been agreed with the Director of Finance.

	Actual Fee 2019/20	Actual Fee 2020/21	Proposed fee 2021/22
Hereford & Worcester Fire Authority Audit	£35,145	£44,311	£43,361
Total audit fees (excluding VAT)	£35,145	£44,311	£43,361

Assumptions

In setting the above fees, we have assumed that the Authority will:

- prepare a good quality set of financial statements, supported by comprehensive and well presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements.

Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \(revised 2019\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

Independence and non-audit services

Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons, relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard (Revised 2019) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

The Audit Manager, Neil Preece, has been Manager for seven years. If the Authority was not a public sector client, the firm's policy rotation for this role is 10 years. However, in the public sector the firm requires permission for extensions to be sought after seven years. The firm's internal Ethics Function and Public Sector Audit Appointments (PSAA) have approved the extension for one year.

We confirm that we have implemented policies and procedures to meet the requirements of the Ethical Standard. For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Authority.

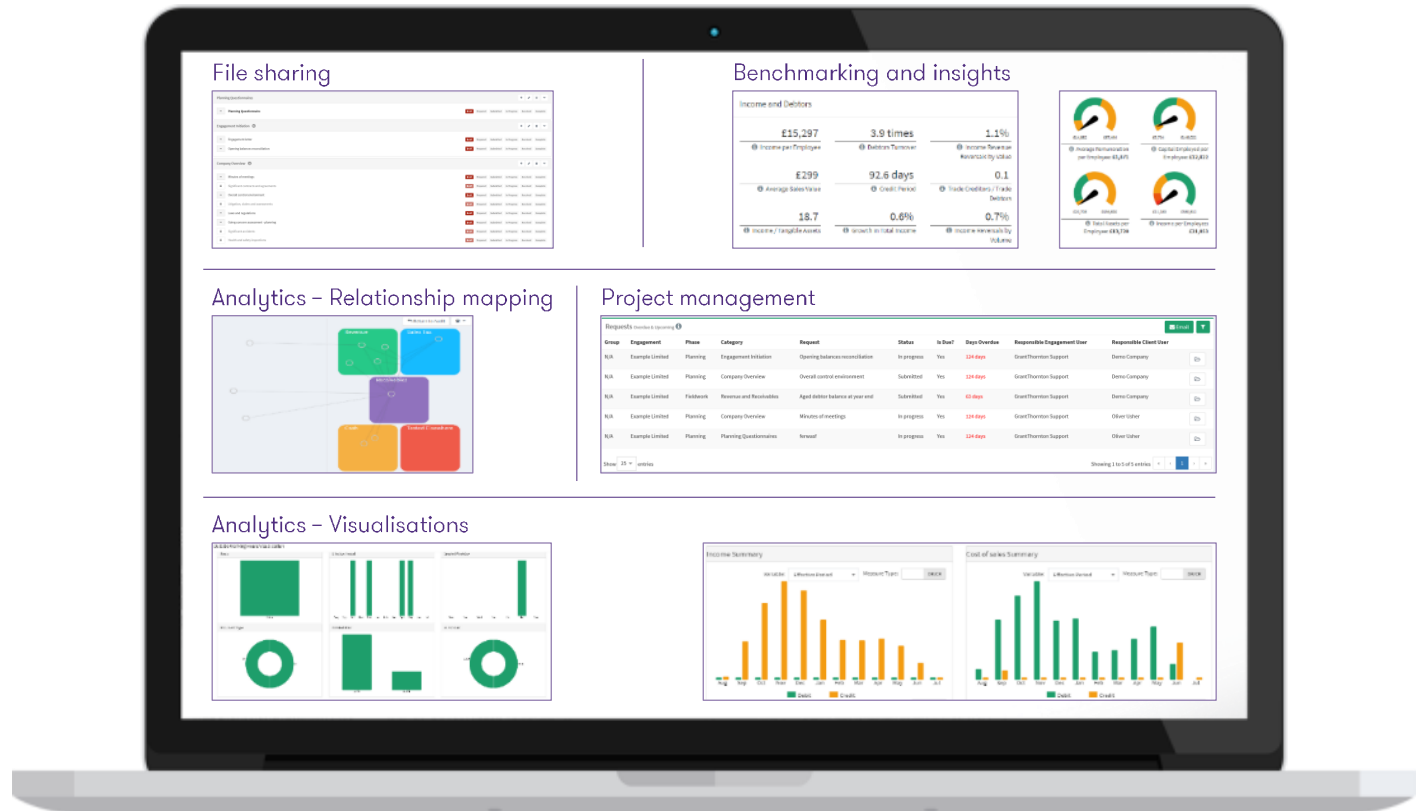
Other services

No other services provided by Grant Thornton were identified.

Our digital audit experience

A key component of our overall audit experience is our comprehensive data analytics tool, which is supported by Inflo Software technology. This tool has a number of key functions within our audit process:

Function	Benefits for you
Data extraction	Providing us with your financial information is made easier
File sharing	An easy-to-use, ISO 27001 certified, purpose-built file sharing tool
Project management	Effective management and oversight of requests and responsibilities
Data analytics	Enhanced assurance from access to complete data populations



Grant Thornton's Analytics solution is supported by Inflo Software technology

Our digital audit experience

A key component of our overall audit experience is our comprehensive data analytics tool, which is supported by Inflo Software technology. This tool has a number of key functions within our audit process:



Data extraction

- Real-time access to data
- Easy step-by-step guides to support you upload your data



File sharing

- Task-based ISO 27001 certified file sharing space, ensuring requests for each task are easy to follow
- Ability to communicate in the tool, ensuring all team members have visibility on discussions about your audit, reducing duplication of work



Project management

- Facilitates oversight of requests
- Access to a live request list at all times



Data analytics

- Relationship mapping, allowing understanding of whole cycles to be obtained quickly
- Visualisation of transactions, allowing easy identification of trends and anomalies

How will analytics add value to your audit?

Analytics will add value to your audit in a number of ways. We see the key benefits of extensive use of data analytics within the audit process to be the following:

Improved fraud procedures using powerful anomaly detection

Being able to analyse every accounting transaction across your business enhances our fraud procedures. We can immediately identify high risk transactions, focusing our work on these to provide greater assurance to you, and other stakeholders.

Examples of anomaly detection include analysis of user activity, which may highlight inappropriate access permissions, and reviewing seldom used accounts, which could identify efficiencies through reducing unnecessary codes and therefore unnecessary internal maintenance.

Another product of this is identification of issues that are not specific to individual postings, such as training requirements being identified for members of staff with high error rates, or who are relying on use of suspense accounts.

More time for you to perform the day job

Providing all this additional value does not require additional input from you or your team. In fact, less of your time is required to prepare information for the audit and to provide supporting information to us.

Complete extracts from your general ledger will be obtained from the data provided to us and requests will therefore be reduced.

We provide transparent project management, allowing us to seamlessly collaborate with each other to complete the audit on time and around other commitments.

We will both have access to a dashboard which provides a real-time overview of audit progress, down to individual information items we need from each other. Tasks can easily be allocated across your team to ensure roles and responsibilities are well defined.

Using filters, you and your team will quickly be able to identify actions required, meaning any delays can be flagged earlier in the process. Accessible through any browser, the audit status is always available on any device providing you with the information to work flexibly around your other commitments.

Appendix 1: Progress against prior year audit recommendations

We identified the following issues in our 2020/21 audit of the Authority's financial statements, which resulted in four recommendations being reported in our 2020/21 Audit Findings Report. We will follow up progress against these as part of our year end audit.

Assessment	Issue and risk previously communicated	Recommendations
High	<p>Property valuations</p> <p>Our audit work took significantly longer than planned. This was partly due to the changeover in valuers, but also because supporting information was not readily available.</p> <p>There is a risk that property valuations cannot be supported.</p>	<p>The Authority needs to ensure that the external valuer obtains sufficient appropriate evidence and documentation of thought processes, readily available, to support to valuations and provide evidence to audit in a timely manner.</p> <p>Management response</p> <p>The Authority recognizes the shortcomings in the previous process which was further complicated by the total closure of Place Partnership Ltd (PPL) (the valuer) within days of providing the original valuations. Going forward professional valuation services will be provided under a new arrangement under the Police & Crime Commissioner. This relationship has been used to correct and review the valuations initially carried out by PPL and has resulted in the valuer and the Authority having a much fuller understanding of the valuation process and potential issues arising. The Authority will in future be provided with sufficient documentation to allow appropriate challenge where necessary. The experience in resolving the 2021/22 issues has given confidence that future arrangements are sufficiently robust.</p>
Medium	<p>Member Data</p> <p>The Member Data provided to the Government Actuary Department (GAD) for them to prepare the Fire Fighters' Pension Scheme liability estimate was out of date. Officers spent a very considerable amount of time in reconciling figures which audit then used to sample test pension deductions for new joiners.</p> <p>There is a risk that the pension scheme liability is misstated.</p>	<p>The Authority needs to ensure that information provided to the Government Actuary Department (GAD) is up to date, complete and accurate.</p> <p>Management response</p> <p>The Authority will be reviewing the process for providing and reconciling data provided to GAD co-ordinating Finance, Payroll and Pensions team inputs.</p>

Appendix 1: Progress against prior year audit recommendations

Assessment	Issue and risk previously communicated	Recommendations
Medium	<p>Fair Value of Public Work Loan Board borrowing</p> <p>Our audit work identified that the Fair Value calculations for Public Works Loan Board (PWLB) borrowing did not use an approach recognized by the CIPFA Code.</p> <p>While this does not impact on the amount actually borrowed, it does indicate the impact that new loans would have if taken out on 31 March.</p>	<p>The Authority needs to ensure that the Fair Value of PWLB borrowing is correctly calculated. Many authorities use expert advisers to provide this information for them.</p> <p>Management response</p> <p>The Authority acknowledge that the valuation method used initially has not kept pace with the requirements of the Code, and will look at alternative ways to provide this information. This will include the potential use of expert advisers, although the value for money benefit of paying an external fee to provide a figure for a note to the Accounts will have to be judged.</p>
Medium	<p>Expenditure recognition</p> <p>Our audit work identified that the Authority was not consistently applying its accounting policies in terms of recognising expenditure where invoices spanned more than one financial year.</p> <p>While the impact in 2020/21 is immaterial, it took more audit and officer time to quantify the impact. The risk that, in future years, the impact could be material, remains.</p>	<p>The Authority needs to ensure that it consistency applies it accounting policies.</p> <p>Management response</p> <p>The apparent inconsistency is an error of omission rather than of commission. A small number of invoices that should have adjusted were missed. Processes will be amended to try to reduce this in future but, in relation to the small size of the team and the tight timescales for the initial sign off of the Accounts (31 May), it cannot be guaranteed individual invoices may still be missed. However as stated the impacts are not material.</p>



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Report of the Treasurer

Informing the Audit Risk Assessment 2021/22

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 2022/23 in respect of the 2021/22 Accounts.
-

Recommendation

The Treasurer recommends that the External Auditor's "Informing the Audit Risk Assessment" report be noted.

Introduction & 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 generic and specific, and the relevant management responses.

Conclusion

4. 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)	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 – Informing the Risk Assessment

Informing the audit risk assessment for Hereford and Worcester Fire Authority 2021/22

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Neil Preece
Audit Manager
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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 Hereford and Worcester Fire Authority's external auditors and Hereford and Worcester Fire Authority's Audit & 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 & Standards Committee under auditing standards.

Background

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

This two-way communication assists both the auditor and the Audit & 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 & Standards Committee and supports the Audit & 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 Authority's oversight of the following areas:

- General Enquiries of Management
- Fraud,
- Laws and Regulations,
- Related Parties,
- Going Concern, and
- Accounting Estimates.

Purpose

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

General Enquiries of Management

Question	Management response
<p>1. What do you regard as the key events or issues that will have a significant impact on the financial statements for 2021/22?</p>	<p>The key issues that will impact the financial statements are</p> <ul style="list-style-type: none"> • PPE and the valuation of assets and their assessment for inclusion in the accounts • Outcome and accounting requirements surrounding the McCloud/Sargeant and Matthews Pension cases • Issues surrounding the impact of the Covid-19 pandemic
<p>2. Have you considered the appropriateness of the accounting policies adopted by Hereford and Worcester Fire Authority? Have there been any events or transactions that may cause you to change or adopt new accounting policies? If so, what are they?</p>	<p>Yes – these are reviewed as part of the Final Accounts closedown process, at this time there is no requirement for amendment to or new accounting policies.</p>
<p>3. Is there any use of financial instruments, including derivatives? If so, please explain</p>	<p>No</p>
<p>4. Are you aware of any significant transaction outside the normal course of business? If so, what are they?</p>	<p>No</p>

General Enquiries of Management

Question	Management response
5. Are you aware of any changes in circumstances that would lead to impairment of non-current assets? If so, what are they?	No
6. Are you aware of any guarantee contracts? If so, please provide further details	No
7. Are you aware of the existence of loss contingencies and/or un-asserted claims that may affect the financial statements? If so, please provide further details	<p>There is no loss contingency.</p> <p>The authority maintains an Insurance Reserve to meet the costs of uninsured excess payments.</p>
8. Other than in house solicitors, can you provide details of those solicitors utilised by Hereford and Worcester Fire Authority during the year. Please indicate where they are working on open litigation or contingencies from prior years?	<p>The LGA have instructed Bevan Brittan in relation to FBU Pension Litigation on behalf of the Fire Authorities. The Authority also use Veena Allyson for employment law advice as and when this is necessary.</p>

General Enquiries of Management

Question	Management response
9. Have any of the Hereford and Worcester Fire Authority's service providers reported any items of fraud, non-compliance with laws and regulations or uncorrected misstatements which would affect the financial statements? If so, please provide further details	No
10. Can you provide details of other advisors consulted during the year and the issue on which they were consulted?	Other than the use of advisors such as PS Tax and CIPFA FAN, for general queries, the Authority have not used any advisors about specific queries during the year.
11. Have you considered and identified assets for which expected credit loss provisions may be required under IFRS 9, such as debtors (including loans) and investments? If so, please provide further details	There have been no assets identified that would require a credit loss provision under IFRS 9.

Fraud

Matters in relation to fraud

ISA (UK) 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 & Standards Committee and management. Management, with the oversight of the Audit & 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 & Standards Committee should consider the potential for override of controls and inappropriate influence over the financial reporting process.

As Hereford and Worcester Fire 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 & Standards Committee regarding its processes for identifying and responding to risks of fraud, and
- communication to employees regarding business practices and ethical behaviour.

We need to understand how the Audit & Standards Committee oversees the above processes. We are also required to make inquiries of both management and the Audit & 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 Hereford and Worcester Fire Authority's management.

Fraud risk assessment

Question	Management response
<p>1. Has Hereford and Worcester Fire Authority assessed the risk of material misstatement in the financial statements due to fraud?</p> <p>How has the process of identifying and responding to the risk of fraud been undertaken and what are the results of this process?</p> <p>How do the Authority's risk management processes link to financial reporting?</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>2. What have you determined to be the classes of accounts, transactions and disclosures most at risk to fraud?</p>	<p>The nature of the FRA business is such that transactions with third parties are limited and no particular class is viewed as high risk.</p>
<p>3. Are you aware of any instances of actual, suspected or alleged fraud, errors or other irregularities either within Hereford and Worcester Fire Authority as a whole, or within specific departments since 1 April 2021? If so, please provide details</p>	<p>None.</p>

Fraud risk assessment

Question	Management response
4. As a management team, how do you communicate risk issues (including fraud) to those charged with governance?	The Authority has a Risk Management Process, where risk is reviewed quarterly at Senior Management Board and also by the Authority.
5. Have you identified any specific fraud risks? If so, please provide details Do you have any concerns there are areas that are at risk of fraud? Are there particular locations within Hereford and Worcester Fire Authority where fraud is more likely to occur?	No No No particular locations are considered to be more at risk to Fraud.
6. What processes do Hereford and Worcester Fire Authority have in place to identify and respond to risks of fraud?	The Authority takes part in the National Fraud Initiative, the Authority also reviews and takes notice of any fraud notifications if they are sent to us. But no particular area is deemed to be high risk due to the low levels of interaction with third parties.

Fraud risk assessment

Question	Management response
<p>7. How do you assess the overall control environment for Hereford and Worcester Fire Authority, including:</p> <ul style="list-style-type: none"> • the existence of internal controls, including segregation of duties; and • the process for reviewing the effectiveness the system of internal control? <p>If internal controls are not in place or not effective where are the risk areas and what mitigating actions have been taken?</p> <p>What other controls are in place to help prevent, deter or detect fraud?</p> <p>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)? If so, please provide details</p>	<p>The Authority uses Worcester Internal Audit Service to independently report on the adequacy of systems. There is separation of duties in operation.</p> <p>No specific areas – the process is generic across the Authority.</p>
<p>8. Are there any areas where there is potential for misreporting? If so, please provide details</p>	<p>No areas considered to be high risk.</p>

Fraud risk assessment

Question	Management response
<p>9. How does Hereford and Worcester Fire Authority communicate and encourage ethical behaviours and business processes of it's staff and contractors?</p> <p>How do you encourage staff to report their concerns about fraud?</p> <p>What concerns are staff expected to report about fraud? Have any significant issues been reported? If so, please provide details</p>	<p>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.</p> <p>Confidential Reporting (Whistleblowing) Policy</p> <p>Staff are encouraged to report all irregularities identified in confidentiality. Policies such as the Whistleblowing Policy are in place and are available to staff on the Sharepoint Intranet site.</p> <p>No issues reported.</p>
<p>10. From a fraud and corruption perspective, what are considered to be high-risk posts?</p> <p>How are the risks relating to these posts identified, assessed and managed?</p>	<p>The only higher risk areas would be those undertaking higher levels of procurement – Operational Logistics and ICT. These risks are mitigated by the use of Government frameworks or tender processes, which are supervised by the Procurement Officer.</p>
<p>11. Are you aware of any related party relationships or transactions that could give rise to instances of fraud? If so, please provide details</p> <p>How do you mitigate the risks associated with fraud related to related party relationships and transactions?</p>	<p>No the nature of the transactions with related parties do not tend to lend themselves to risk.</p> <p>All Senior Managers and Budget Holders are requested annually as part of the Final Accounts process to declare all relationships that may have a third party relationship implication. Members of the Authority also complete a declaration requested by the Committee Services Section which is retained by them and any relevant disclosures posted as required on the Authority website and so is available for public scrutiny.</p>

Fraud risk assessment

Question	Management response
<p>12. What arrangements are in place to report fraud issues and risks to the Audit & Standards Committee?</p> <p>How does the Audit & Standards Committee exercise oversight over management's processes for identifying and responding to risks of fraud and breaches of internal control?</p> <p>What has been the outcome of these arrangements so far this year?</p>	<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
<p>13. Are you aware of any whistle blowing potential or complaints by potential whistle blowers? If so, what has been your response?</p>	<p>No</p>
<p>14. Have any reports been made under the Bribery Act? If so, please provide details</p>	<p>No</p>

Law and regulations

Matters in relation to laws and regulations

ISA (UK) 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 & Standards Committee, is responsible for ensuring that Hereford and Worcester Fire 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 & Standards Committee as to whether the body is in compliance with laws and regulations. Where we become aware 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>1. How does management gain assurance that all relevant laws and regulations have been complied with?</p> <p>What arrangements does Hereford and Worcester Fire Authority have in place to prevent and detect non-compliance with laws and regulations?</p> <p>Are you aware of any changes to the Authority's regulatory environment that may have a significant impact on the Authority's financial statements?</p>	<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> <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 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

Question	Management response
<p>2. How is the Audit & Standards Committee provided with assurance that all relevant laws and regulations have been complied with?</p>	<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>
<p>3. Have there been any instances of non-compliance or suspected non-compliance with laws and regulation since 1 April 2021 with an on-going impact on the 2021/22 financial statements? If so, please provide details</p>	<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. Internal Auditors' reports to the Audit and Standards Committee incorporate issues relating to compliance with legislation and regulations, where appropriate.</p>
<p>4. Are there any actual or potential litigation or claims that would affect the financial statements? If so, please provide details</p>	<p>None that would give rise to a material misstatement.</p> <p>The Authority is still involved (jointly with other FRS) in the investigation and defence of the firefighters' pension claim, in connection with the 2015 pension scheme transitional arrangements and it is participating in the class action being co-ordinated by the LGA in respect of the 'Trucks Cartel'.</p>

Impact of laws and regulations

Question	Management response
<p>5. What arrangements does Hereford and Worcester Fire Authority have in place to identify, evaluate and account for litigation or claims?</p>	<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>Any personal accident claims against the Authority are dealt with by Worcestershire County Council / insurers on the Authority's behalf.</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>
<p>6. Have there been any reports from other regulatory bodies, such as HM Revenues and Customs, which indicate non-compliance? If so, please provide details</p>	<p>No</p>

Related Parties

Matters in relation to Related Parties

Hereford and Worcester Fire Authority are required to disclose transactions with bodies/individuals that would be classed as related parties. These may include:

- bodies that directly, or indirectly through one or more intermediaries, control, or are controlled by Hereford and Worcester Fire Authority;
- associates;
- joint ventures;
- a body 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 body 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's perspective but material from a related party viewpoint then the Authority must disclose it.

ISA (UK) 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.

Related Parties

Question	Management response
<p>1. Have there been any changes in the related parties including those disclosed in Hereford and Worcester Fire Authority's 2020/21 (prior year) financial statements?</p> <p>If so please summarise:</p> <ul style="list-style-type: none"> • the nature of the relationship between these related parties and Hereford and Worcester Fire Authority • whether Hereford and Worcester Fire Authority has entered into or plans to enter into any transactions with these related parties • the type and purpose of these transactions 	<p>There have been no changes to those identified in the 2020/21 financial statements. All relevant information is compiled and provided in the final accounts and these have not changed from those identified in previous years.</p>
<p>2. What controls does Hereford and Worcester Fire Authority have in place to identify, account for and disclose related party transactions and relationships?</p>	<p>Individual related party disclosures by senior staff and members, and awareness of major contracts.</p>
<p>3. What controls are in place to authorise and approve significant transactions and arrangements with related parties?</p>	<p>Staff work is restricted in areas where this would lead to potential related party issues.</p>
<p>4. What controls are in place to authorise and approve significant transactions outside of the normal course of business?</p>	<p>As detailed in note 3 above.</p>

Going Concern

Matters in relation to Going Concern

The audit approach for going concern is based on the requirements of ISA (UK) 570, as interpreted by Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom. It also takes into account the National Audit Office's Supplementary Guidance Note (SGN) 01: Going Concern – Auditors' responsibilities for local public bodies.

Practice Note 10 confirms that in many (but not all) public sector bodies, the use of the going concern basis of accounting is not a matter of significant focus of the auditor's time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the body's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist.

For this reason, a straightforward and standardised approach to compliance with ISA (UK) 570 will often be appropriate for public sector bodies. This will be a proportionate approach to going concern based on the body's circumstances and the applicable financial reporting framework. In line with Practice Note 10, the auditor's assessment of going concern should take account of the statutory nature of the body and the fact that the financial reporting framework for NHS bodies presume going concern in the event of anticipated continuation of provision of the services provided by the body. Therefore, the public sector auditor applies a 'continued provision of service approach', unless there is clear evidence to the contrary. This would also apply even where those services are planned to transfer to another body, as in such circumstances, the underlying services will continue.

For many public sector bodies, the financial sustainability of the body and the services it provides are more likely to be of significant public interest than the application of the going concern basis of accounting. Financial sustainability is a key component of value for money work and it is through such work that it will be considered.

Going Concern

Question	Management response
<p>1. What processes and controls does management have in place to identify events and / or conditions which may indicate that the statutory services being provided by Hereford and Worcester Fire Authority will no longer continue?</p>	<p>As part of the Budget Setting/Medium Term Financial Planning process, all potential savings and pressures are identified over the MTFP period. The financial implications of these are then assessed and the impact that they will have on the provision of services to the public. The gap or surplus for the financial planning term is then reported to Senior Management Board and Members. Hereford and Worcester Fire Authority continue to monitor the impact of the wider economy on its operations by reacting to reducing finance settlements in recent years and reviewing the levels of operational workforce to ensure it is in line with the Community Risk Management Plan.</p>
<p>2. Are management aware of any factors which may mean for Hereford and Worcester Fire Authority that either statutory services will no longer be provided or that funding for statutory services will be discontinued? If so, what are they?</p>	<p>No</p>
<p>3. With regard to the statutory services currently provided by Hereford and Worcester Fire Authority, does Hereford and Worcester Fire Authority expect to continue to deliver them for the foreseeable future, or will they be delivered by related public authorities if there are any plans for Hereford and Worcester Fire Authority to cease to exist?</p>	<p>All statutory Services will continue to be delivered by Hereford and Worcester Fire Service.</p>
<p>4. Are management satisfied that the financial reporting framework permits Hereford and Worcester Fire Authority to prepare its financial statements on a going concern basis? Are management satisfied that preparing financial statements on a going concern basis will provide a faithful representation of the items in the financial statements?</p>	<p>The financial statements are prepared on a going concern basis, this is confirmed within the narrative forward of the statement – that the s151 Officer confirms that this is the case.</p>

Accounting estimates

Matters in relation to accounting estimates

ISA (UK) 540 (Revised December 2018) requires auditors to understand and assess a body's internal controls over accounting estimates, including:

- The nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates;
- How management identifies the need for and applies specialised skills or knowledge related to accounting estimates;
- How the body's risk management process identifies and addresses risks relating to accounting estimates;
- The body's information system as it relates to accounting estimates;
- The body's control activities in relation to accounting estimates; and
- How management reviews the outcomes of previous accounting estimates.

As part of this process auditors also need to obtain an understanding of the role of those charged with governance, which is particularly important where the estimates have high estimation uncertainty, or require significant judgement.

Specifically do Audit & Standards Committee members:

- Understand the characteristics of the methods and models used to make the accounting estimates and the risks related to them;
- Oversee management's process for making accounting estimates, including the use of models, and the monitoring activities undertaken by management; and
- Evaluate how management made the accounting estimates?

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

Accounting Estimates - General Enquiries of Management

Question	Management response
1. What are the classes of transactions, events and conditions, that are significant to the financial statements that give rise to the need for, or changes in, accounting estimate and related disclosures?	Judgements would be required around the outcome and the accounting requirements of the McCloud/Sargeant and Matthews cases and the valuation of property, plant & equipment, though arrangements are in place with the valuers for these to be revalued annually.
2. How does the Authority's risk management process identify and address risks relating to accounting estimates?	The main risk areas relating to accounting estimates are Pensions and Fixed Assets. These risks are addressed by the use of 3 rd party actuaries and valuers – so this mitigates the risk of fraud.
3. How does management identify the methods, assumptions or source data, and the need for changes in them, in relation to key accounting estimates?	This information is received from the 3 rd parties, it is then reviewed by the Finance Department to ensure that it is reasonable and the information is then discussed where relevant with the body responsible for collating it.
4. How do management review the outcomes of previous accounting estimates?	This review is undertaken – the outcomes are reviewed by members of the Finance Department, as part of the budget monitoring function. These outcomes are then used to inform discussions in the coming year.
5. Were any changes made to the estimation processes in 2021/22 and, if so, what was the reason for these?	There was no requirement for changes.

Accounting Estimates - General Enquiries of Management

Question	Management response
6. How does management identify the need for and apply specialised skills or knowledge related to accounting estimates?	Management review the skills that were required in the previous years such as the Pension actuary's and the Valuers for PPE. And if there are any additional specialist skills that will be required in the next financial year.
7. How does the Authority determine what control activities are needed for significant accounting estimates, including the controls at any service providers or management experts?	The Authority ensures that the service providers for accounting estimates have the required professional qualifications to undertake the required tasks.
8. How does management monitor the operation of control activities related to accounting estimates, including the key controls at any service providers or management experts?	Control is put in place by the use of a Management Letter, which sets out the requirements of the work to be carried out and the deadlines required by the Authority.
9. What is the nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates, including: <ul style="list-style-type: none"> - Management's process for making significant accounting estimates - The methods and models used - The resultant accounting estimates included in the financial statements. 	<p>The Pensions estimates are undertaken by specialist actuaries – either a Government Department (GAD) or the County Actuary (Mercers).</p> <p>PPE valuations are reviewed and questioned by the Chief Accountant where movements are identified that are not in line with those expected.</p>

Accounting Estimates - General Enquiries of Management

Question	Management response
10. Are management aware of any transactions, events, conditions (or changes in these) that may give rise to recognition or disclosure of significant accounting estimates that require significant judgement (other than those in Appendix A)? If so, what are they?	Yes. Judgements would be required around the outcome and the accounting requirements of the McCloud/ Sargeant case and the valuation of PPE, though arrangements are in place with the valuers for these to be revalued annually.
11. Why are management satisfied that their arrangements for the accounting estimates, as detailed in Appendix A, are reasonable?	These are reasonable.
12. How is the Audit & 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, plant & equipment valuations	Property valuations are made by the external valuer from West Mercia Police.	Valuer notified of changes to the estate from the prior year.	Use the external valuer (RICS qualified) from West Mercia Police.	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 West Mercia Police.	The useful lives of property are recorded in accordance with the recommendations of the external RiCS qualified valuer.	No
Depreciation and Amortisation	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
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 West Mercia Police.	Valuations are made in-line with the CIPFA Code of Practice guidance - reliance on expert.	No

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?
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
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
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 authorities.	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

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?
Provision 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

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?
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



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Report of the Internal Auditor

Internal Audit Annual Report 2021/22

Purpose of Report

1. To provide the Committee with:
 - the overall results in terms of meeting Internal Audit's (IA's) objectives as set out in the internal audit plan for 2021/2022,
 - an audit opinion and commentary on the overall adequacy and effectiveness of the internal control environment.
 - a copy of the current internal audit charter.
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Recommendation

The Treasurer recommends that the Committee note the Internal Audit Charter and that the audit plan delivered in 2021/22 has provided an assurance level of "full" for three core financial areas and that no limited or below assurance areas have been reported or any high priority recommendations made.

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 Authority under the Accounts and Audit (England) Regulations 2018. 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 was 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. The Authority is required to publish an Annual Governance Statement to accompany the accounts later in the year.

Objectives of Internal Audit

3. The Chartered Institute of Public Finance and Accounts (CIPFA) Code of Practice for Internal Audit in Local Government in the United Kingdom defines internal audit as: "an assurance function that primarily provides an independent and objective opinion to the organisation on the control environment comprising risk management, control and governance by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic and effective use of resource".

Internal Audit

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.
 - Advise upon the control and risk implications of new systems or other organisational changes.
5. WIASS is committed to providing an audit function which conforms to the Public Sector Internal Audit Standards as amended.

Assurance Sources

6. We recognise there are other review functions providing other sources of assurance (both internally and externally) over aspects of the Council's operations. Where possible we seek to place reliance on such work thus reducing the internal audit coverage as required.

Independence and Safeguards

7. WIASS internal audit activity is organisationally independent. Internal Audit reports to the Treasurer but has a direct and unrestricted access to the senior management team and the Audit Committee Chair. Where WIASS provide assistance with the preparation of areas of work such as Risk Management or the Annual Governance Statement there are clear safeguards in place to ensure independence is not compromised. Safeguards include review within the audit service by an independent person to those who have completed the work as well as independent scrutiny by the Treasurer of the authority. Audit Committee can also challenge the reported findings and the minutes would record this.
8. To try to reduce duplication of effort we understand the importance of working with the External Auditors. The audit plan was shared with the external auditors for information.

Risk Management

9. Risk Management is a high profile activity due to the nature of the Authority. Regular updates have been brought before Committee and a robust and embedded risk management process exists within the Fire Authority. Regular review of the risk profile takes place with appropriate mitigation agreed and reported.

Summary of the prime features

2021/2022 Key Internal Audit planned Inputs for WIASS

10. A summary of the position is provided at Appendix 1

2021/2022 Key Internal Audit planned Outputs for WIASS

11. During 2021/22 Internal Audit was originally required to:
 - complete ten systems audits (including critical friend reviews) of which four needed to suitably assist the External Auditor reach their “opinion”.
 - provide sufficient audit resources for other operational areas which assist the Fire Service maintaining/improving its control systems and risk management processes or implementing / reinforcing its oversight of such systems, i.e. provide an on-going consultancy to managers on internal control, for example where system changes are being made;
 - meet Internal Audit’s external work requirements;
 - achieve a benchmark of delivery for 2021/22 of all audits as agreed in the operational programme as agreed at the 28th July 2021 Committee.
12. Most audits, on completion, are assigned an assurance using a predefined definition and all reported recommendations are given a priority. The audit assurance and recommendation priority is agreed with Management before the final report is published. An example of the assurance and priority definitions is provided at Appendix 2 for information. The overall assurance that has been attributed to the various areas that have been audited regarding the 2021/22 programme reflects the fact there have been no ‘high’ priority recommendations to report.

Productive Work

13. During 2021/22, 104 productive audit days were delivered by WIASS against an overall budget of 111 days. During 2021/22 it was necessary to consider all Partner plans and adjust them where necessary. It was considered that the areas of adjustment in the Fire Authority plan would have least impact and allow the service to continue to concentrate on delivering to the residents the best service provision without distraction. Areas identified and rolled over was Tech One. 2021/22 also saw an increase in the overall time frame to deliver audits due to remote working, teleconferencing or alternative means whereas

prior to this a simple and brief conversation alongside an Officers desk or in passing would have sufficed. Priority was given to potentially higher risk areas and financial audits. The 2021/22 plan remained very flexible, but the core financial areas of the business were completed and reported on. Committee was continually and regularly informed of developments throughout the year and any variations to the plan were agreed by the Treasurer.

14. Consultancy, advice and guidance are demand led activities and can fluctuate from year to year but have been contained well within the agreed budget.
15. Follow up in respect of audits provided to the Fire and Rescue Service have continued and were included as part of the 2021/22 audit programme and have been undertaken during the past twelve months for example Young Firefighters, Safeguarding, as well as all the core financial reviews.
16. Internal audit has worked with external audit to try and avoid duplication of effort, provide adequate coverage for the 2021/22 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.

Work of interest to the External Auditor

17. The results of the work that we performed on four systems audits during 2021/22 was of direct interest to External Audit. Audit reports are passed to the external auditor on request for their information and for them to inform their opinion.
18. Dialogue continues with the External Auditor to ensure that the IA work will continue to provide the assurance they seek at an acceptable standard.

Quality Measures – internal

19. Managers are asked to provide feedback on systems audits as the audit progresses. Comments have been received from several Managers who have expressed their appreciation of the audit approach and the fact that it will assist them to add value to their service area. Feedback has predominantly been immediately forth coming from the appropriate Managers. A questionnaire is available/provided where a more formal response is required. WIASS analyse the returns during the year to ensure that the audit programme continues to add value. The Treasurer, Senior Management Board and External Audit have also confirmed a high satisfaction with the audit product during discussions with the Head of the Internal Audit Shared Service.
20. Further quality control measures embedded in the service include independent individual audit reviews and regular Client Officer feedback. WIASS staff work to a given methodology and have access to reference material and the Charter which reflects the requirements of the standards. A copy of the Charter is included at Appendix 4 for information.

21. The Client Officer Group (i.e. management board) meet on a regular basis and consider the strategic overview and performance of the Shared Service including progress against the Service Plan as well as promoting continuous improvement of the Service.
22. To further assist the Committee with their assurance of the overall delivery WIASS conforms to the Public Sector Internal Audit Standards as amended.
23. Appendix 3 provides the audit opinion and commentary which provides further assurance to the Committee.

Internal Audit Self Assessment

24. As part of the compliance with the Standards, Internal Audit self-assesses to identify areas where further development can enhance the Service. The self-assessment was undertaken during August 2020 and as a result a Quality Assurance Improvement Plan (QAIP) was formulated and is reported at Appendix 5 for information. This has been a regular feature of the regular progress reports placed before Committee throughout the year.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	H&WFRS joined the Shared Service as a full partner in April 2016. The financial details are not fully detailed in this report, but any contribution is agreed by The Treasurer who is a voting Member of the Client Officer Group.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	There are legal issues e.g. joining as a partner in the shared service required consideration but are not fully detailed in this report. Internal audit provides an independent assessment of risk mitigation against corporate priorities.
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)	N/A – no policy change is recommended
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	N/A

**FIRE & RESCUE SERVICE
INTERNAL AUDIT PLAN FOR 2021/22**

Audit Area	Source	Planned days 2021/22	Service	Comment/Outline Scoping	Strategy link	Indicative Timing of Review	Latest Position
Accountancy & Finance Systems							
Main Ledger (inc Budgetary Control & Bank Rec)	Fundamental to HWFRS CRMP delivery	6	Finance	Reduction in days for a light touch system audit.	Resourcing for the Future	Q3 & 4	Final Report Issued 22 nd December 2021 Full Assurance
Creditors (a/c's payable)	Fundamental to HWFRS CRMP delivery	7	Finance	Reduction in days for a light touch system audit.	Resourcing for the Future	Q3 & 4	Final Report Issued 22 nd December 2021 Full Assurance
Debtors (a/c's receivable)	Fundamental to HWFRS CRMP delivery	5	Finance	Reduction in days for a light touch system audit.	Resourcing for the Future	Q3 & 4	Final Report Issued 22 nd December 2021 Full Assurance
Payroll & Pensions inc GARTAN	Fundamental to HWFRS CRMP delivery	11	Service Support	Reduction in days for a light touch system audit.	Resourcing for the Future	Q3 & 4	Final Report Issued 4 th January 2022 Significant Assurance
Review of Financial Processes Tech1	Fundamental to HWFRS CRMP delivery	14	Finance	Moving to web based so security checks to be undertaken	Resourcing for the Future	N/a	Deferred due to deployment delays.
SUB TOTAL		43					
Corporate Governance							

Audit Area	Source	Planned days 2021/22	Service	Comment/Outline Scoping	Strategy link	Indicative Timing of Review	Latest Position
Procurement and Contracts		14	Service Support	Area identified as part of 2020/21 discussions for 2021/22. ToR to include quality of specifications, matrix formulation, embedded training from 2020/21.	Fire & Rescue Authority	Q4	Final Report issued 13 th June 2022. Significant Assurance.
COVID-19 lessons learnt business resilience planning and implementation.		8	All	Risk associated with this area across the business to provide assurance that lesson learnt have been implemented. ToR to be Corporately identified lessons learnt implementation plan, ownership and overall progress.	Fire & Rescue Authority	Q4	Final Report issued 21 st April 2022. Significant Assurance
SUB TOTAL		22					
System / Management Arrangements							
Young Fire Fighters & Volunteering		10	All	Roll forward from 2020/21. Links to reputational risk, cost and value added requirements. Focus will be Droitwich as Redditch has closed. ToR to be agreed.	Fire & Rescue Authority	Q1	Final Report Issued 30 th September 2021. Moderate Assurance
Safeguarding		10	All	Roll forward from 2020/21. Risk associated with this area of the business. Last looked at 2016/17. ToR to be Corporate	Fire & Rescue Authority	Q1	Final Report Issued 30 th September 2021. Moderate Assurance

Audit Area	Source	Planned days 2021/22		Service	Comment/Outline Scoping	Strategy link	Indicative Timing of Review	Latest Position
					ownership and responsibility?			
SUB TOTAL		20						
Follow up Reviews	Good governance	7						KPI's completed with no exceptions to report.
Advice, Guidance, Consultation, Investigations	Support	8			Draw Down Budget			N/a
Audit Cttee support, reports and meetings	Support	11			Draw Down Budget			N/a
SUB TOTAL		26						
TOTAL CHARGEABLE		111						

Summary of 2021/22 Audit Assurance Levels

2021/22	Number of Fire and Rescue Service Audits	Assurance	Overall % (rounded)
From 9 reviews	3	Full	33%
	3	Significant	33%
	2	Moderate	22%
	Nil	Limited	0
	Nil	No	0
	Nil	To be finalised	0
	Nil	Critical Friend	0
	1	Deferred to 22/23	12%

Note:

Follow Up, Advice, Audit Committee Support and management reporting areas are not included in the above figures.

Overall Conclusion:

- 66% of the finalised audits undertaken for 2021/22 which have been allocated an assurance returned a level of significant or above.
- Managers and the Treasurer continue to be satisfied with the audit process and service delivery from the feedback received from them.

Audit Reports 2021/22

Definition of Audit Opinion Levels of Assurance

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

Hereford and Worcester Fire and Rescue Authority Commentary and Audit Opinion 2021/22

1. Internal Audit: Hereford and Worcester Fire and Rescue Authority's responsibility for maintaining an adequate and effective internal audit function is set out in the Accounts and Audit (England) Regulations 2018.
2. 2021/22 financial year remained a challenging year as we worked towards emerging from the Covid pandemic crisis and beginning to understand the new norm. Changes in the way services needed to be delivered and staff deployed saw a continuance of remote and flexible working, moving away from traditional office-based working model. This continued to present many challenges with a move to hybrid working from home and office while managing the statutory and best practice requirements of the pandemic to protect the staff well-being. This created some real challenges to ensure services could continue to be delivered during the emergence from restrictions and a return to the new norm.

Overall Governance Conclusion

3. Based on the audits performed against the 2021/22 audit plan, the Head of Internal Audit Shared Service has concluded although not all audits have achieved full assurance the lack of serious shortcomings found in the range of audits carried out indicates that the Hereford and Worcester Fire and Rescue Service internal control arrangements during the emergence from the pandemic and the changing environment are generally adequate and have effectively managed the principal risks identified by management as part of the pandemic response and the audit plan and can be reasonably relied upon to ensure that the Authority's corporate objectives have been met.

Risk Management Conclusion

4. The Head of Internal Audit can confirm the development of formal risk management systems was sustained during the year and risk management continues to feature prominently throughout the activities of the Fire Authority.
5. The corporate risk register was regularly updated, and the Audit Committee have received the necessary updates on key risks. Updates will continue to be made regularly to the Audit Committee. The link between risk identification and control is of fundamental interest to internal auditors, although the responsibility for controlling the risk itself rests firmly with line managers, who must ensure that appropriate controls are considered to mitigate the identified risks.

Findings

6. The Internal Audit function is provided by the Worcestershire Internal Audit Shared Service (WIASS) which was set up as a shared service in 2010/11 and hosted by Worcester City for 5 district councils and the Fire and Rescue Service. 2016/17 was the first year Hereford and Worcester Fire and Rescue Authority became a full voting

member of the shared service. The shared service operates in accordance with, and conforms to, the Public Sector Internal Audit Standards as amended. It objectively reviews, on a continuous basis, the extent to which the internal control environment supports and promotes the achievement of the Fire and Rescue Authority objectives and contributes to the proper, economic and effective use of resources.

7. The Internal Audit Plan was agreed with External Audit, the Treasurer and s151 Officer and was approved by the Audit and Standards Committee on the 28th July 2021. This was during the ongoing pandemic. It included:
 - a number of core systems which were designed to suitably assist the external auditor to reach their 'opinion'
 - other corporate systems for example embedding of national operational guidance, equality and diversity and communication and engagement strategy.
8. Due to the TechOne system implementation being delayed the plan was reconsidered during January 2022 and after discussion and agreement with the Treasurer it was decided to defer this work until 2022/23. Regular updates regarding of review outcomes were reported before the Audit Committee during the year. The two reviews, Safeguarding and Young Fire Fighters that were rolled from 2020/21 were targeted first. Follow up reviews have also taken place during the year regarding these areas. Based on the audits performed by WIASS in accordance with the approved and revised audit plan the Head of Internal Audit Shared Service can report that the Hereford and Worcester Fire and Rescue Authority governance framework arrangements during 2021/2022 three have provided assurance outturns of 'full' in regard to four core financial areas along with 'significant' and 'moderate' assurances in regard to other operational aspects. There were no 'limited' or below assurances reported.
9. 'Full' to 'moderate' assurance essentially provides there is generally a sound system of internal control in place, no significant control issues have been encountered and no material losses have been identified.
10. In relation to the planned nine reviews during 2021/22, one was deferred to 2022/23 and eight have been finalised the outcomes of which have been reported.
11. WIASS can conclude that no system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance. This statement is intended to provide those charged with the responsibility of governance with a reasonable assurance based on the audits performed in accordance with the approved plan and revisions thereto and the scoping therein with the continuing backdrop of exceptional circumstances with the global pandemic impact and the necessity to move away from traditional office based protocols to remote and hybrid working.

Andy Bromage
Head of Worcestershire Internal Audit Shared Service
July 2022



Worcestershire Internal Audit Shared Service (WIASS)

Internal Audit Charter

Hereford and Worcester Fire and Rescue Authority

Definitions

1. Management refers to the Chief Fire Officer, Deputy Chief Fire Officer, Assistant Chief Fire Officer/Directors and Area Commanders/Heads of Service.
2. Board refers to the Audit & Standards Committee

This Charter was last reported before the Audit and Standards Committee on the 28th July 2021.

1. Introduction

Purpose

- 1.1 The purpose of this charter is to define what Internal Audit is and explain its purpose, role and responsibilities.

Provision of Internal Audit Services

- 1.2 WIASS covers five district authorities Wychavon, Malvern Hills, Bromsgrove, Redditch and Worcester and one Fire Service, Hereford and Worcester Fire and Rescue Authority. WIASS will provide internal audit services to third parties under contractual arrangements.
Worcester City Council hosts the Shared Service provision under an on-going Administrative Collaborative Agreement. It is governed by a Client Officer Group (COG) which is made up of the district and Fire Service s151 officers each having an 'equal say'. The Client Officer Group meets approximately 4 times a year.
- 1.3 For line management matters internal audit will report to the Corporate Director of Resources (s151 Officer within Worcester City Council) and the Monitoring Officer in their prolonged absence.

2. Mission and Definition

- 2.1 Mission:

"To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight".

Additional information can be found on the local intranet site:

<https://staffroom.worcester.gov.uk/internal-audit>

- 2.2 Definition:

Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bring a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

3. Scope and Authority of Internal Audit Work

- 3.1 Under the Accounts and Audit Regulations 2015 No. 234 Part 2 Regulation 5:
(1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.
(2) Any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit—
(a) make available such documents and records; and
(b) supply such information and explanations;
as are considered necessary by those conducting the internal audit.
(3) In this regulation "documents and records" includes information recorded in an electronic form.

To aid compliance with Regulation 5 of the Accounts and Audit Regulations 2018 as amended, the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006 details that "Internal Audit should work in partnership with management to improve the control environment and assist the organisation in achieving its objectives".

Internal Audit work should be planned, controlled and recorded in order to determine priorities, establish and achieve objectives.

- 3.2 In the course of their reviews internal audit staff, under the direction of the Head of Service, shall have authority in all partner organisations to:-
- at all reasonable times after taking account of audit requirements, enter on any partners' premises or land;
 - have access to, and where internal audit deem necessary take into their possession, any records, documents and correspondence relating to any matter that is the subject of an audit;
 - require and receive such explanations as may be considered necessary from any officer of the Partner regardless of their position;
 - require any officer of the Partner to produce forthwith cash, stores or any other property under their control.

for the Partner in which the internal audit service is being provided.

- 3.3 Internal Audit work will normally include, but is not restricted to:
- review and assess the soundness, adequacy, integrity and reliability of financial and non-financial management and performance systems, and quality of data;
 - reviewing the means of safeguarding assets;
 - examine, evaluate and report on compliance with legislation, plans, policies, procedures, laws and regulations;
 - promote and assist the Partner in the effective use of resources
 - examine, evaluate and report on the adequacy and effectiveness of internal control and risk management across the Partner and recommend arrangements to address weaknesses as appropriate;
 - advise upon the control and risk implications of new systems or other organisational changes.
 - provide a 'critical friend' to assist services to achieve value for money
 - undertake independent investigations into allegations of fraud and irregularity in accordance with the Partner's policies and procedures and relevant legislation
 - at the specific request of management¹, internal audit may provide consultancy services provided:
 - the internal auditors independence is not compromised
 - the internal audit service has the necessary skills to carry out the assignment, or can obtain skills without undue cost or delay
 - the scope of the consultancy assignment is clearly defined and management¹ have made proper provision for resources within the annual plan
 - management understands that the work being undertaken is not internal audit work.

- 3.4 IA's remit extends across the entire control environment of the organisation and is not limited to certain aspects or elements.

4. Responsibility of Management¹ and of Internal Audit

- 4.1 At all times internal audit will operate in accordance with the partner's Constitution and legal requirements and all internal audit staff will adhere to recognised

Professional Standards and Codes of Conduct and Ethics e.g. the Institute of Internal Auditors' and/or CIPFA as well as the Partner's Codes of Conduct and Anti-Fraud and Corruption Policies.

- 4.2 It is the responsibility of Management to put in place adequate controls to ensure systems meet their objectives and that they are notified without delay of any instances where systems are failing to operate properly. However, where there has been, or there are grounds to suspect that there is risk of a serious breakdown in a significant system, the Head of Service should be informed of the problem and any counter measures already in hand or proposed, as quickly as possible, in order that the Head of Internal Audit Shared Service can decide whether audit involvement is needed.
- 4.3 Similarly, it is the responsibility of Management to put in place adequate controls to prevent and detect fraud, irregularities, waste of resource, etc. Internal Audit will assist Management to effectively manage these risks. However, no level of controls can guarantee that fraud and the like will not occur even when the controls are performed diligently with due professional care. As a consequence all cases of actual or suspected fraud should be reported to the Head of Internal Audit Shared Service forthwith. The Head of Internal Audit Shared Service will then decide the course of action to be taken with due regard to the Partner's Constitution, e.g. Whistleblower's Charter, Stopping Fraud and Corruption Strategy, etc.
- 4.4 Any officer of a partner organisation who has genuine concerns at raising a suspected instance of fraud or malpractice through their normal reporting channels can raise the matter under the Partner's Whistleblower's Charter directly with any of the persons named in the policy document, including the Head of Internal Audit Shared Service. Head of Internal Audit Shared Service will then pursue the matter in accordance with the provisions of the policy document.
- 4.5 Internal audit is not responsible for any of the activities which it audits. WIASS will not assume responsibility for the design, installation, operation or control of procedures. However, should any partner/client contract for specialist services within an area then the WIASS staff member assigned will not be asked to review any aspect of the work undertaken until two years have passed from the completion of the assignment.
- 4.6 The Head of Internal Audit Shared Service will ensure that the relevant Head of Service and/or Section 151 Officer is briefed on any matter coming to the attention of internal audit, either through a review or otherwise, that could have a material impact on the finances, create an unacceptable risk or be fraudulent for the Partner as quickly as possible, and will ensure the appropriate Officer of the Authority e.g. Director, Monitoring Officer is regularly briefed on the progress of audits having a corporate aspect. Matters involving fraud or malpractice are to be reported in line with the anti-fraud and corruption policy. The most appropriate action/engagement of the relevant Head of Service will be determined by the HoWIASS depending on the circumstances.
- 4.7 In order to (1) maintain a broad skills base within Internal Audit and (2) maximise the ability of the team to offset the cost of providing the internal audit function to the Partner, the strategic plan will include a commitment that internal audit obtains income to the Partner from external work either from partnership working and/or selling its expertise. Such activities will be governed by targets set out in the Collaborative Administrative Agreement and will be approved and reported on to the Client Officer Group.

5. Planning and Reporting

- 5.1 To meet the objectives above, the Head of Internal Audit Shared Service shall:-

- a) prior to the beginning of each financial year, following consultation with Management¹ and after taking into account comments from Members arising from the reporting process set out below, provide the Committee with:
- a risk based audit plan forecasting which of the Partner's activities are due to receive audit attention in the next 12 months. The risk based plan will take into consideration a number of risk factors including corporate risk register, service risk register, local knowledge, corporate promises or objectives, key strategic documents e.g. five year plan and any external audit guidance. Where there is a potential difference between strategy/plan and resource this is reported to the Board²;
 - a detailed operational plan using a risk based assessment methodology showing how/what resources will be required/allocated in the coming financial year in order to meet the requirements of the Partners strategic plans. The Plans will be flexible and include a small contingency contained as part of the consultancy budget to allow for changes in priorities, emerging risks, ad hoc projects, fraud and irregularity, etc. The Head of Internal Audit Shared Service will bring to the attention of the s151 Officer if this budget is depleted so an additional contingency can be agreed. 'Consultancy', for the purposes of WIASS activity, is defined as work that is of a specialist nature and commissioned/requested in regard to an area of work activity within a service area that is in addition to the agreed partners audit plan. The work can be financial or governance based and the output will provide management¹ with challenges to consider depending on its nature. The approach to the assignment can be flexible but follow a similar path in regard to the methodology.
- b) during the course and at the close of each financial year provide the Board² with:
- quarterly progress reports on actual progress compared to the plan and performance indicators. Such reports to highlight serious problems, either affecting the implementation of the plan, or, in the take up of audit recommendations;
 - an annual report summarising the overall results for the year compared to the plan and pointing out any matters that will impact on internal audit's ability to meet the requirements in the strategic plan;
- c) during the course and close of each full systems/risk audit provide the client manager¹ with:
- a copy of an audit brief and audit information request setting out the objectives and scope of the audit prior to commencement of the audit and a confirmation of resource requirements for the audit.
 - draft recommendations, which will be discussed with the responsible manager¹ prior to sending the draft audit report. The manager¹ is responsible for confirming the accuracy of the audit findings and is invited to discuss the report during the 'clearance' meeting prior to the issue of the draft report.
 - an audit report containing an overview of the quality of the control system, an opinion as to the level of system assurance and detailed findings and recommendations including priority. 'Assurance', for WIASS purposes, is defined as the determination of an overall outcome against a predetermined criteria leading to an applied level giving an overall summary for the work audited.
- d) shortly after the close of each financial year provide for the purposes of the Annual Governance Statement:

- an annual audit opinion of the Partner's system of controls based on the audit work performed during the year in accordance with the plans at 5.1(a) above and reported in accordance with 5.1(b) and (c) above and on the assurance methodology adopted, and, a statement of conformance with the Public Sector Internal Audit Standards and the results of quality assurance and improvement programme.
- 5.2 Expectations of Clients:
Managers and staff should co-operate with the Auditors, and responses should be made to draft reports as outlined at 3 above. Responses should include an action plan, dates for action and responsibility where actions are delegated. The final 'High' and 'Medium' recommendations will be reported to the Board².
- 5.3 Audit reports will be drawn up following the internal audit report framework. A matrix type report displaying audit findings, risks and recommendations along with a column for management comments, as per 5.1(c), will be provided to management¹. The report will also contain an introduction and priority categories for each of the recommendations. A covering report will be attached to the matrix providing details of the partner organisation, circulation, audit scope and objectives, an audit opinion, an executive summary and an audit assurance rating as well as a clear indication of what action is required by management.
- 5.4 Upon completion of audits, the audit exceptions will be discussed with the relevant line manager and will form the basis of the draft audit reports. The draft audit reports are issued to the relevant line managers for them to confirm the accuracy of the audit findings and content. Managers are invited to contact the Auditor if they wish to discuss the report and asked to show their response in the form of an action plan to each recommendation on the draft report. For accepted recommendations, dates for action or implementation are recorded. The managers' responses are recorded in the final reports that are issued to the appropriate Management¹ officers as deemed relevant for the audit.
- 5.5 In accordance with professional standards, after three/six months from the date of issue of the final report, follow-up audits are undertaken to ensure that the agreed recommendations and action plans have been implemented, or, are in the process of being implemented. A formal follow up procedure / methodology is used to follow up audit reports and reported on an exceptions basis.
- 5.6 Internal Audit works to the reporting quality standards of:
- draft audit reports to be issued within 5 working days of the clearance meeting;
 - management responses received within 10 working days;
 - final audit reports to be issued within 5 working days of the final discussions of the draft audit report and receipt of management responses;
 - final reports to be followed-up initially within 3 to 6 months of the date issue of the final audit report depending on the recommendation priority and residual risk, to ensure that the accepted recommendations due for implementation have been established.
- 5.7 Escalation for late or non return of audit reports will be instigated when after two requests the reports have not been provided by management. The escalation will

commence with the s151 Officer being informed of the late return. If the report remains outstanding then the Board² will be informed of the inaction with a view to them calling in the Officer to justify the late return.

6. 7 Principles of Public Life and how WIASS interprets and applies them.

1. Selflessness - protecting the public purse and ensuring all actions taken are solely in the public interest.

2. Integrity - completely independent and above undue bias or influence in the work that we do.

3. Objectivity – demonstrate impartiality and fairness in all aspects of our work and when reporting uses only the best evidence without discrimination or bias.

4. Accountability – provide transparency and assurance holding people to account in regard to decisions and actions and provide assurance to those in governance roles.

5. Openness – to promote and ensure through good governance that decisions are taken in an open and transparent manner and no information is withheld from the public unless there are clear and lawful reasons for so doing

6. Honesty – to provide independent assurance to those in governance of confirmation of truthfulness

7. Leadership – through the audit work actively promotes and robustly supports the principles and shows a willingness to challenge poor behaviour wherever it occurs.

For further information on the principles of public life:

<https://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life--2>

7. Core Principles for Professional Practice and how WIASS interprets and applies them.

1. Demonstrates integrity:

WIASS works independently, without influence or undue bias. The audit plan is created so that there are no conflicts of interest between the officer and the audit. Potential conflicts of interest are formally checked annually with all members of the WIASS team. Areas of risk for WIASS are identified and mitigated. Potential areas of risk include, but are not limited to, auditors re-auditing Risk Management, NFI, and Regulatory Services in consecutive years and Services that they have transferred from. Officers that have conflicts of interest, or if they are / have been working in the area of audit, will not undertake any audits in the conflicting area for a minimum of three years, safeguarding the officers and WIASS' integrity. Further protection is in place by using randomly selected testing samples and a series of independent review stages. All audit working papers, reports and findings are reviewed and if necessary challenged before being issued to the client by either the Head of Service or Team Leader.

2. Demonstrates competence and due professional care:
All reports are reviewed and signed off by either the WIASS Head of Service or Team Leader both of which are highly qualified and governed by professional institution standards. Regular 1-2-1 meetings are held with each officer to ensure progress and personal development. An "open door" culture is adopted throughout WIASS allowing all team members to ask for assistance advice and support at any time. Training (both in-house and external) is available and is provided should it be deemed relevant and appropriate by Head of Worcestershire Internal Audit Shared Service (HoWIASS) / Team Leader.
3. Is objective and free from undue influence:
Independence and safeguarding is a key element of internal audit provision. All WIASS staff are vetted via the Basic Disclosure Check, as well as making a Declaration of Interest on an annual basis declaring any potential conflicts of interest with upcoming audit programme and the partners that WIASS work with. No auditor, who has transferred from a Service, will audit that Service for a minimum of three years. The Service is organisationally independent for all Partners. Although the HoWIASS reports directly to the s151 Officers of the Partner organisations the role has direct and unrestricted access to the senior management team and Committee Chair. The Client Officer Group, who governs the Service, meets on a quarterly basis and is made up of the Partner s151 Officers. They each have an equal vote and consider the strategic direction of the Service as well as progress and performance. Further independence and safeguard checks are reported throughout this Charter in the form of checks, actions and process.
4. Aligns with the strategies, objectives, and risks of the organisation:
The audit plan and it's content is discussed with Management¹ and s151 Officers to ensure that risks are identified; appropriate processes, systems and strategies are tested and that areas of risk are monitored and mitigated. Corporate and service risk registers are used along with corporate knowledge and the promises and objectives. Five year plans are also considered as part of the risk profiling and plan definition.
5. Is appropriately positioned and adequately resourced:
As a shared service, WIASS is hosted by Worcester City Council, but audit allocations ensure a presence in all authorities that it serves across the year. Resources are monitored and tracked throughout the annual audit plan, with forecasting used as often as possible to prevent resources becoming too stretched resulting in reduced coverage. WIASS is governed by a Client Officer Group made up from the Partner s151 Officers but also has direct access to Management¹ and the Board² Chairs. Delegated powers are used should there be any resourcing issues.
6. Demonstrates quality and continuous improvement:
Continuous monitoring of the team's performance via trackers is conducted. Quarterly and annual reports are issued to committee and board members demonstrating trends in productivity and value. Individual reviews via 1-2-1 meetings are held monthly with the Team Leader and include personal development plans for all team members. Improvements and changes will also be made using external assessment as well as internally generated client feedback forms. A self assessment will be completed each municipal year to further provide assurance of quality and improvement. The Service is working with partners to ensure that it continues to provide a 'fit for purpose' Service by developing techniques that will complement requirements, continue to add value and work in a changing

environment e.g. critical friend reviews. There is a continuous desire to ensure that the Service changes and adopts best practice methods as identified by the professional institutions e.g. IIA, CIPFA.

7. Communicates effectively:

Various forms of communication are adopted (verbal, written, diagram / graph) throughout the review process by all members of the WIASS team. Continued monitoring and improvements to the methodology are conducted, making the report and testing documents clearer for all users. Findings are discussed verbally with management¹ prior to the issue of a formal report. Reports are issued to Officers and Committee¹ on a regular basis.

8. Provides risk-based assurance:

The audit plans are risk based with reviews being classified from high to low risk. The review scope is risk based which drives the review without creating restrictions on the areas covered. All findings are rated high, medium or low risk. Risks associated with the findings are linked directly to the recommendation and the management action to mitigate it. The review risk is combined to create the overall assurance level of the audit, which will be presented to the client with explanation and reasoning in the form of a report.

9. Is insightful, proactive and future-focused:

Insightful – where possible WIASS officers with relevant background experience will be assigned to conduct audits in similar fields. Continued monitoring of current “audit and fraud affairs” is distributed to all WIASS team members. A sharing of knowledge is encouraged in the Service and pre-engagement research.

Identification of best practice is shared amongst the authorities. Reports identify areas that are working well as well as those that require improvement. Reviews look for efficiencies and better ways of working.

Proactive – scoping meetings are held for all audits allowing for changes to the audit scope in line with changes in service delivery and legislation between annual planning and audits starting. There is also an ability to vary the plan should an emerging risk present itself using delegated powers so the audit service can be proactive in providing assurance to those in governance. Consultancy days are built into the plans to allow for pre implementation of new system/process advice.

Future-focused – The Service will scan the horizon for risks and issues that are emerging. Networking using, for example, the Midlands Audit Group is used to help inform the audit plans and consultancy assignments to provide information to the partners before it becomes a potential issue for them. Monitoring of the next generation initiatives from Central Government and having a team of auditors aware of the potential risks and impact along with environmental control issues will assist in adding value for our partners.

10. Promotes organisational improvement:

Ethics and culture are key aspects to organisation improvement. WIASS reviews consider ethical and cultural aspects and the potential impact and associated risk. Liaison with s151 Officers, Senior Management Teams and governance boards where applicable to promote continuous organisational development. Audit Reports are issued to management¹ to ensure oversight of the organisation and areas of concern including common themes are looked at and improved on. High and Medium priority findings are followed up after a 3 or 6 month period respectively using an established

methodology to ensure that potential risks are being mitigated and there is continuous improvement. Findings will be followed up until such time that they are satisfied. Follow up on findings will be documented and reported to Management, Heads of Service and or the appropriate s151 to give assurance of action and risk mitigation.

For further information please reference:

<https://na.theiia.org/standards-guidance/mandatory-guidance/Pages/Core-Principles-for-the-Professional-Practice-of-Internal-Auditing.aspx>

8. External Relationships

8.1 The main contacts are with:

- Institute of Internal Auditors
- External Auditors
- Local Authorities in the Worcestershire area
- Local Authorities in the Midlands area
- Organisations within the Exeter Benchmarking Group
- CIPFA (publishers of the systems based auditing control matrices written by Exeter IA section)
- National Fraud Initiative via DCLG and Cabinet Office

but may include other external parties as necessary.

8.2 Assurance will be accepted and reported from 3rd parties as long as WIASS can rely on their work, and they are suitably qualified to carry out the assessment. The relevance of the work will also be a consideration in using a 3rd party certification e.g. IT integrity testing.

8.3 Where work is undertaken on a contractual basis assurance will be provided to 3rd parties outside of the partnership as appropriately agreed. The methodology applied to audit 3rd party organisations will be the same as the methodology used for the members of the partnership. All of the safeguards used to protect the integrity of the audits carried out for the partnership will be extended to 3rd parties as well and appropriate reporting protocols established as part of any contractual agreement. These will be established as part of the engagement with a clearly identified engagement officer and requirements. No contract will be entered into if it is considered that the independence or integrity of the Service will be compromised. If, during the delivery of a contract, it becomes apparent that there is undue influence being brought to bare and/or that the actions of the client is undermining the ethos of internal audit the HoWIASS will inform the Client Officer Group without delay so a strategic decision can be made to avoid any potential reputational damage or compromised independence. Any assurances provided to 3rd Parties will be based on the established internal methodology and the defined definitions of the different levels and priorities.

Notes

a) In the absence of the Head of Internal Audit Shared Service all provisions relating to him/her above will apply to the relevant Team Leader in accordance with the duties allocated by the Head of Internal Audit Shared Service.

Version Control:	Date of Change	Action	Updated by
1.0	2 nd March 2012	Charter for WIASS	AB
2.0	9 th August 2012	Update to Charter	AB
3.0	23 rd April 2013	Update to Charter re. International Standards	AB
4.0	21 st Janaury2016	Update to Charter re. legislative requirements & title changes	AB
5.0	1 st July 2016	Update re. titles and definition of 'consultancy' and 'assurance'.	AB
6.0	April 2017	Full review in line with Standards	HT
7.0	May 2017	COG suggestion: Update of H&WFRS name to reflect legal entity & 'Council's' to 'Partners'.	HT
8.0	June/July 2018	External Assessment recommendations: Update to Mission & Definition Inclusion of 3.4, IA remit Update to 4.6 regarding HIASS responsibility on briefing Inclusion of 5.7, escalation for late and non return audit reports Inclusion of 6 – Principle of Public Life Inclusion of 7 – Core Principles of Public Practice Inclusion of 8.2, assurance from 3 rd Parties Inclusion of 8.3, assurance to 3 rd Parties	HG, AB, HT
9.0	June 2021	Review of Charter	AB
10.0	June 2022	Review of Charter	AB

Quality Assurance Improvement Plan 2020/21 to 2021/22.

Action Number	Area for Action and Standards Reference	Outcome Required	Action	Lead person	Target Date for completion	Position End of March 2022
1	1000	Updated Charter and Partner approval.	To review and update as appropriate, and present to COG and Partner Committees for approval.	Head of Internal Audit & Team Leader	Sep-21 (Annual Reports)	Completed 30 th September 2021
2	1210.A1 - Training Requirements	Professional qualifications to be obtained.	Auditors to enhance their skills and qualifications through professional study e.g. IIA	Auditors	2023/24	Current Officer training left the Organisation. Ongoing commitment and further training offers to Officers. March 2022
3	2420 - Timely Completion of Review Stages	Improvement in issuing the 'Draft Report' to the agreed date as set out in the Brief. To make improvements in the monitoring of the management response after the issue of a Draft Report.	Monitor the issue of Draft Reports and the receipt of management response during the financial year taking appropriate and timely action where the target dates are stressed.	Auditors	Mar-22	Monitoring and review completed with new and improved process being implemented 22/23 March 2022
4	2500.A1 - Follow Up	More efficient and timely follow up regarding reported management action plans.	To review and enhance the follow up process, and monitor progress to reduce potential slippage.	Audit Team Leader	Mar-22	Monitoring and review completed with new and improved process being implemented 22/23 March 2022
5	2010.A1 - Annual Risk Assessments	More effective implementation of Annual Risk	To review the current process of using the annual risk	Head of Internal Audit /	Nov-20	Complete 30 th November 2020

		Assessments into the annual planning and use within individual audits.	assessments and how inclusion into annual planning and audit planning can be improved.	Audit Team Leader		
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Report of the Head of Internal Audit Shared Service

Internal Audit Progress Report

Purpose of report

1. To provide an update in regards to the delivery of the Internal Audit plan 2021/22 and 2022/23.
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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 2018. 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 systems function correctly.

Objectives of Internal Audit

3. The Public Sector Internal Audit Standards (as amended) 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 (as amended).

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 will work with external audit to try and avoid duplication of effort, provide adequate coverage for the 2022/23 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. The audit plan is made available to the external auditors for information.

Audit Planning

6. To provide audit coverage for 2022/23, an audit operational programme delivered by WIASS was discussed and agreed with the Authority's Senior Management Board and the Section 151 Officer and Treasurer. It was brought before Committee on 19th January 2022 for consideration. The audit programme provides a total audit provision of 111 audit days; including support days and draw down budgets which may not be used in full during the year.

Audit Delivery

7. To assist the Committee to consider assurance on the areas of work undertaken, an overall assurance level is given, when appropriate, to each audit area based on a predetermined scale (Appendix 3). Also, the findings are prioritised into 'high', 'medium' and 'low' within audit reports with all 'high' priority recommendations being reported before committee (Appendix 2 and 3).

Assurance Sources

8. We recognise there are other review functions providing other sources of assurance (both internally and externally) over aspects of the Authority's operations. Where possible we seek to place reliance on such work thus reducing the internal audit coverage as required.

Independence and Safeguards

9. WIASS internal audit activity is organisationally independent. Internal Audit reports to the Treasurer but has a direct and unrestricted access to the senior management board and the Audit Committee Chair. Where WIASS provide assistance with the preparation of areas of work there are clear safeguards in place to ensure independence is not compromised. Safeguards include review within the audit service by an independent person to those who have completed the work as well as independent scrutiny by the Treasurer of the authority. Audit Committee can also challenge the reported findings and the minutes would record this.

Risk Management

10. Risk Management is a high profile activity due to the nature of the Authority. Regular updates are brought before Committee and a robust and embedded risk management process exists within the Fire Authority. Regular review of the risk profile takes place with appropriate mitigation agreed and reported.

2022/2023 Audit Position

11. There have been two reviews commenced regarding the 2022/23 audit programme. These are progressing to the testing stage and will be reported on completion.

2021/2022 Audit Position

12. There have been two reviews finalised regarding the 2021/22 plan since the last progress report presented before Committee:
 - Procurement and contracts
 - Covid-19 Lessons Learnt, business resilience planning and implementation
13. The outcome to the reviews listed in paragraph 11 above are reported in summary below.

2021/22 Audit Reviews: Procurement and Contracts

14. The review found the following areas of the system were working well:
 - Compliance with guidance and legislation
 - The processes for scoring and decision making for tenders
 - Justification of the need for specific, bespoke goods and services
15. The review found the following areas of the system where controls could be strengthened:
 - Staff training procurement
 - Contracts register

There were two medium priority recommendations reported.

Final report was issued: 13th June 2022
Assurance: Significant

Covid-19 Lesson Learnt

16. The review found that the following areas of the system were working well:
 - Emphasis on a Risk-Assessed approach taken on both a Departmental and Individual level
 - Ongoing monitoring of the Service's response to the pandemic through the various task-groups assigned
 - The production of guidance for staff with regards to their work and health
17. Communications to staff was identified as an area for improvement however this has been identified and acknowledged prior to this review taking place.
18. The review found the following areas of the system where controls could be strengthened:
 - Covid-19 Debrief
 - Staff Survey
 - Internal Action Plans

There were two medium and one low priority recommendation reported.

Final report was issued: 13th June 2022
Assurance: Significant

Follow Up Reviews

19. Follow up takes place regarding previously completed audits to provide assurance that recommendations have been implemented and any risk mitigated. Where there is a programmed annual visit to an area the 'follow up' is included as part of the audit review e.g. financials. Any material exceptions arising from audit 'follow up' will be brought to the attention of the Audit Committee. The Key Performance Indicator follow up found a positive direction of travel with all reported points either implemented or in progress of implementation. The Computer follow up review is in the process of being arranged and will be reported before Committee on completion. For the follow ups undertaken to date there are no material exceptions to report.

Conclusion/Summary

20. The Internal Audit Plan for 2021/22 has been completed so focus will now switch to the 2022/23 audit programme. For those 2021/22 finalised reports there were no high priority recommendations to report, and, robust management actions plans have been agreed and are in place to address the findings from those reviews. Follow ups completed to date have not identified

any material exceptions to report before Committee. All finalised reviews will be reported to Committee on completion.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	There are no financial issues that require consideration.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	Selected audits are risk based and linked to the delivery of priorities and policy framework.
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)	N/A – no policy change is recommended
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	N/A

Supporting Information

Appendix 1 – 2022/23 Audit Plan summary.

Appendix 2 – ‘High’ priority recommendations for completed audits.

Appendix 3 – ‘Assurance’ and ‘priority’ definitions.

Appendix 4 – ‘Follow Up’ reporting

DRAFT INTERNAL AUDIT PLAN FOR 2022/23

Audit Area	Source	Planned days 2022/23	Service	Comment/ Potential Outline Scoping	Strategy link	Indicative Quarter & Progress
Accountancy & Finance Systems						
Main Ledger (inc Budgetary Control & Bank Rec)	Fundamental to HWFRS CRMP delivery	6	Finance	Reduction in days for a light touch system audit. Standard scoping for core financial.	Resourcing for the Future	Q3
Creditors (a/c's payable)	Fundamental to HWFRS CRMP delivery	7	Finance	Reduction in days for a light touch system audit. Standard scoping for core financial.	Resourcing for the Future	Q3
Debtors (a/c's receivable)	Fundamental to HWFRS CRMP delivery	5	Finance	Reduction in days for a light touch system audit. Standard scoping for core financial.	Resourcing for the Future	Q3
Payroll & Pensions inc GARTAN	Fundamental to HWFRS CRMP delivery	11	Service Support	Reduction in days for a light touch system audit. Standard scoping for core financial.	Resourcing for the Future	Q3
SUB TOTAL		29				

Corporate Governance

Training Centre Droitwich	Fundamental to HWFRS CRMP delivery	10	Finance	Management of content and system changes are working.	Fire & Rescue Authority	Q1 Review has commenced June 2022
OPCC Estates	Fundamental to HWFRS CRMP delivery	12	Service Support	Arrangements in place working, processes, reactive & planned maintenance acceptable.	Fire & Rescue Authority	Q1 Review has commenced June 2022
ICT	Fundamental to HWFRS CRMP delivery	15	Service Support	Cyber security, business continuity and back ups	Fire & Rescue Authority	Q4
SUB TOTAL		37				

System / Management Arrangements

Stores & Equipment	Fundamental to HWFRS CRMP delivery	12	Service Support	Effective management, accountability of stock, systems are competent, equipment replenishment/ maintenance	Fire & Rescue Authority	Q2
Fleet	Fundamental to HWFRS CRMP delivery	10	Service Delivery	Links to 2021-2025 CRMP promises and deliverables.	Fire & Rescue Authority	Q2
SUB TOTAL		22				

Follow up Reviews	Good governance	7
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Advice, Guidance, Consultation, Investigations	Support	5				
Audit Cttee support, reports and meetings	Support	11				
SUB TOTAL		23				
TOTAL CHARGEABLE		111				

'High' Priority Recommendations Reported for 2022/23 Finalised Reviews.

There have been no finalised reviews so far for 2022/23 therefore there are none to report.

For those reviews finalised for 2021/22 and reported above there are no high priority recommendations to report.

(Where recommendations are reported these definitions can also be applied to Appendix 4 where applicable)

Definition of Priority of Recommendations

Priority	Definition
High	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.
Medium	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.
Low	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.

Definition of Audit Opinion Levels of Assurance

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 its 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>

Follow Up Reviews

There are no exceptions to report before Committee for 'follow up' reviews that have been completed. Direction of travel is positive with all the findings either implemented or in progress and working towards implementation.

Report of the Head of Protection

Risk Management and Strategic Risk Register – Annual Update

Purpose of report

1. To provide the Audit and Standards Committee with an annual update on the Risk Management Framework and Strategic Risk Register.
-

Recommendation

It is recommended that the Committee note the contents of this report.

Background

2. Following the Worcestershire Internal Audit Risk Management Audit (review) undertaken in December 2018, the revised Strategic and Departmental Risk Registers and supporting management systems have now been embedded into HWFRS, which discharges the audit recommendations.
3. The Organisational Risk Management Service Policy Instruction (SPI) has been published. This supports the identification and treatment of corporate risks within the Authority. These are usually identified through an escalation process within the departmental risk registers.
4. The Organisational Risk Management Policy, Version 5, was published following a full review and consultation in October 2021. The review was completed in line with the ISO standards 31000/2018 and IEC 31010/2019 for corporate risk management.
5. The overall objective of the Risk Management Framework is to ensure that the Authority identifies strategic risks and applies the most appropriate and cost-effective control mechanisms to manage those risks wherever possible. It also provides a robust audit trail for how the Service has considered and mitigated those risks, should an issue be subject to scrutiny.
6. Department Heads are responsible for the completion of a quarterly risk register review, with support from the Emergency Planning and Resilience Officer (EPRO).
7. The Strategic Risk Register (SRR) is reviewed at a Strategic Leadership Board (SLB) meeting at the end of each quarter and is collectively owned by SLB and supported by the EPRO.

West Mercia Local Resilience Forum (WMLRF)

8. WMLRF is a multi-agency group comprising of bodies within West Mercia including Local Authorities, national and local health agencies, the three emergency services and the Environment Agency, among others. The purpose of the LRF is to ensure effective delivery of the duties of the Civil Contingencies Act (CCA) 2004, which includes risk assessment. This requires partner agencies to assess local risks, undertake planning and co-ordinate resources so they can respond effectively when incidents do occur. The LRF acts not only as a reliable conduit for information on risks providing a multi-agency planning forum, but also assists in testing and responding to the type of events that are likely to affect our communities and pose business continuity issues for the Fire and Rescue Service.
9. The National Security and Risk Assessment (NSRA) 2019 is a national document intended to capture the range of emergencies that may have an impact on all, or significant parts, of the UK as well as local and internal risks. The NSRA informs the Community Risk Register held by the WMLRF Risk Assessment Working Group and this information is used to inform decision making on risk management. A new iteration of the NSRA is due in early Summer 2022.
10. SLB consider emerging local risks from the Local and Community Risk Registers within the LRF which may become SRR issues in the future. The SRR also acknowledges departmental, project and partnership risks where relevant.

Strategic Risk Register (SRR)

11. The SRR is the overarching document that looks at the highest impact risks to the Service. The highest and/or most prevalent risks from departmental risk registers can be elevated to the SRR as appropriate, through the discussion held at SLB as a standard quarterly agenda item.
12. Identified risks should normally either be eliminated or reduced to an acceptable level, with systems in place to monitor and report against this. All risks at each level are evaluated by the responsible manager for that area, normally a Department Head. The residual risk after control measures have been implemented, where possible, is then recorded in the risk register.
13. In Q1 2021 all department risk registers implemented generic risks to standardise departmental risk management across the organisation. The risk descriptions were developed by identifying common themes in the previous risk registers and with input from all risk register owners.

The finalised generic risks are:

- i) Short term loss of staff,
- ii) Long term loss of staff,

- iii) Loss of site,
 - iv) Damage, loss, unauthorised access or inappropriate management of physical or electronic data, and
 - v) Total or partial loss of ICT services, including third party applications.
14. The quarterly reviews meet the requirements of the Audit and Standards Committee to monitor and review the Authority's corporate risk management arrangements.
 15. Each strategic risk has either a business continuity plan (BCP) or policy linked to the risk; these plans or policies provide control measures and steps to mitigate against those risks, e.g. dealing with the death of a member of staff, severe weather, pandemic, fuel shortages, etc. Policies are reviewed approximately every three years.
 16. The Business Continuity SPI, outlines the requirements of BCPs. The policy requires Strategic level BCPs to be reviewed every two years, or after a related business continuity event. The SPI is currently under review in line with new ISO standards and the Fire Standards Board standard for emergency planning and resilience that has recently completed formal consultation.
 17. The overall responsibility for ensuring risks are managed effectively lies with the Authority as professionally advised by Senior Officers. The live SRR outlines to Members the risk scoring for both impact and likelihood of each identified risk based on a matrix agreed by SLB and held in the Organisational Risk Management SPI.

Changes from 2021/2022

18. In Q3 2020 SRR11 (change in property management services) was added in response to the transition away from Place Partnership to the Police and Crime Commissioner (PCC) estates. This was archived in Q2 2021.
19. In Q2 2021 three new risks were added to the Strategic Risk Register:
 - It was proposed a pension related risk (SRR12) to be added to the risk register, the wording for this risk was completed in Q4 2021 as '*Legal challenge to Service's stance on suspending immediate detriment payments relating to Sargeant McCloud case.*'
 - SRR13 was added relating to the ongoing project on Emergency Services Network (ESN). This is scored in line with the ESN regional user group risk register and initially scored as 'high'.
 - SRR14 was added relating to the Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services cause for concern and initially scored 'medium'.
20. In Q4 a new sub-risk was added SRR2b –

‘Significant inflation pressures including pay awards no longer being sustainable within current resource projections’. The risk scores are to be confirmed in the next SRR review.

Conclusion/Summary

21. The Strategic Risk Register and Departmental Risk Registers are a method for continual monitoring and reviewing the Service’s risks by SLB and middle managers, informing the Service’s objectives and business goals.
22. The Authority’s Strategic Risk Register is formally reported to Members annually, with significant changes being reported to the Audit and Standards Committee in a risk update.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	N/A
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	Proposals support the Business Continuity SPI, Organisational Risk Management Policy
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	Risks documented and reviewed in the Strategic and Departmental Risk Registers
Consultation (identify any public or other consultation that has been carried out on this matter)	N/A
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	N/A

Supporting Information

Appendix 1 – Summary of the Strategic Risk Register 2021/2022

Summary of the Strategic Risk Register

The full details of the register are available.

Strategic risk code	Consequences	Description of actions already taken or controls in place to mitigate the risk.	Residual score (April 2022)
SRR1 A widespread event or situation that leads to a significant loss of workforce in the workplace	Inability to deliver core purpose and over a longer term the inability to maintain core systems and/or deliver Service infrastructure and obligations (e.g. financial, legislative, departmental such as Fleet and ICT)	All Actions here are generic that are elaborated upon in the sub risks specific to this category. <ol style="list-style-type: none"> 1. Business Continuity Plans as outlined in the specific sub risks below. 2. Section 13/16 agreements that will mitigate a certain loss of workforce 3. Temporary Staffing arrangements 4. National Guidelines 5. regular Meetings with relevant stakeholders or Rep Bodies 6. Business continuity plans 	8 Medium
SRR1A Major ill health epidemic affecting service levels	Loss of a percentage of front line and/or support staff resulting in a reduction or loss in the ability to deliver the service that Hereford and Worcester Fire and Rescue Service provides, including but not exhaustive to Prevention and Service Delivery	<ol style="list-style-type: none"> 1. Business Continuity Plans including pandemic influenza and severe weather plans. 2. NHS prioritisation of specific emergency service workers allows selective members of staff to be immunised. 3. Temporary staff arrangements either from temp agencies (support staff) or national brigades. 4. Section 13/16 agreements that are in place 	6 Low/ Medium
SRR1B Severe weather event(s) affecting service delivery	<p>1) Loss of a percentage of staff due to several factors including but not exhaustive to:</p> <p>a) Inability for staff to travel into work</p> <p>b) School closures leading to a reduction in service delivery</p>	<ol style="list-style-type: none"> 1. Business Continuity Plans to deal with severe weather and flooding 2. National mutual aid arrangements and Over the Border agreements between Fire and Rescue Services for Mutual Aid are in place (However, if severe weather is regionalised this may not be possible) 	6 Low/ Medium
SRR1C Industrial disputes	<ol style="list-style-type: none"> 1) Strike action for an unknown period of time of a percentage of frontline and or support staff 2) A period of action short of strike for an indefinite period of time which may result in a loss of extra activities such as but not including overtime. These may potentially result in an inability to provide services to the public as outlined in the FRSA 2004 	<ol style="list-style-type: none"> 1. Regular meetings with Representative Bodies to proactively maintain working relationships' 2. National Guidelines 3. Constant review of actions and guidelines 4. Business Continuity Plan for Industrial Action 5. National and Local Resilience Forum briefings 6. Work with National Joint Council 7. Industrial Action Management Group meetings and pre-planning 8. A review of the impact of the decision of the judges' legal case on pensions. 	8 Medium
SRR1D Inability to recruit or retain key parts of the workforce.	An inability to deliver and maintain core functions and systems, and/or significant impact on service delivery in core areas	<ol style="list-style-type: none"> 1. Cover arrangements for stations if appliances are OTR. 2. BCP for loss of key departments or provisions for maintaining service provision. 3. Changes to Recruit training to create a more flexible approach to training to allow less impact on RDS Primary employment. 	8 Medium

		<p>4. Section 13/16 agreements to facilitate service provision.</p> <p>5. There is currently an ICT audit underway to review workloads and staffing.</p>	
<p>SRR2</p> <p>Continuous pressure of reductions in real terms of grants and/or other income affecting service delivery</p>	<p>1) Unable to deliver the same level of service/ Reduction in service 2) Having to source funding from elsewhere 3) Potential redundancies/ voluntary redundancies</p>	<p>1. Good financial planning and horizon scanning for future developments in Budget constraints 2. Strategic planning to ensure ground work is done to prepare for budget alterations rather than react. 3. Vigilant to future implications through monitoring 4. Senior Management Board team preplanning options 5. Meeting the challenge workshops with all staff 6. Integrated Risk Management Plan refers and Service streamlining. Note: Residual risk is the same as inherent risk because neither likelihood or impact are changed by the control measures 7. HWFRS efficiency plan has now been submitted and confirmed by the Government.</p>	<p>6 low/ medium</p>
<p>SRR2A</p> <p>Loss of Section 31 National Resilience grant</p>	<p>Loss of funding causes: 1) Removal of assets and capabilities provide for NR incidents. 2) Inability to utilise these assets in local response plans a reduction in the services ability to provide an operational response to Local and National Section 31 incidents. 3) Additional staff paid for through NR funding would become over establishment and require removal from Service establishment 4) Interim funding would be required to manage these posts to avoid redundancy.</p>	<p>1) Amalgamation of the two separate units of USAR and Droitwich to create a combined fire and technical rescue team. 2) Loss of posts via natural wastage. 3) Explore the chance to reclaim finances through offering responses to other services. i.e. MOE for policy etc. 4) Reserve Funding</p>	<p>12 Medium/High</p>
<p>SRR2B</p> <p>Significant inflation pressures including pay awards no longer being sustainable within current resource projections</p>	<p>Same as SRR2</p>	<p>working with home office and NFCC to lobby for CSR revision to take account of revised cost base (other controls for SRR2)</p>	<p>TBC</p>
<p>SRR3</p> <p>Death or serious injury of a member of staff whilst at work as a result of their work activities</p>	<p>1) Impact on other employees carrying out similar duties (e.g. Driving) 2) Reputational loss 3) Investigations and legal proceedings and prosecutions. 4) Financial implications of claims 5) Departmental resilience issues</p>	<p>1. Professional training standards & Role maps being developed and maintained 2. High quality of training in work related activities and quality PPE provision when required 3. Robust Health and Safety Arrangements (Policies and Training in place) with current and up to date Risk Assessments for all work-based activities. 4. Procedures in place for dealing with a range of generic work-based activities 5. Legislation and Governance 6. National, Regional and Local Frameworks 7. Risk Management 8. Asset Management 9. Internal Assurance</p>	<p>12 Medium/High</p>
<p>SRR3A</p> <p>Death of a member of staff as a consequence of an operational incident</p>	<p>Archived (30 July 2019) and retained as own risk – SRR9</p>		

SRR3B Death or serious injury of Member of Public through Service activities	Archived (30 July 2019) and retained as own risk – SRR10		
SRR4 Significant changes to national policy which mean local reaction outside of planned work loads	1) Not correctly adhering to national policy which could mean that Hereford and Worcester Fire and Rescue Service are not fulfilling statutory or legal or moral duties, under one or more national policies.	1. Horizon scanning through Chief Fire Officers Association, Local Government Association and other networks. 2. Cultural acceptance of the need to be flexible. 3. Limited reserves to use on unplanned or unforeseen work. 4. Maintenance of local and regional 'decision influence' networks.	8 Medium
SRR5 Wyre Forest Fire Station	Archived April 2017		
SRR6 Hindlip	Archived September 2018		
SRR7 Evesham Fire Station	Archived April 2017		
SRR8 Local or national loss of data and intelligence as a result of a cyber security attack	Currently Unknown	1) cyber security patches always being updated 2) NSCC release warnings 3) ROCU training of SLB on cyber risks 4) Attacks are dynamic and frequently evolving, being proactive is difficult.	12 High
SRR9 (was SRR3A) Death of a member of staff as a consequence of an operational incident	1) Impact on other employees carrying out similar duties (e.g. BA wearing). 2) Reputational loss 3) Governmental and HSE scrutiny 4) Investigations and legal proceedings and prosecutions. 5) Financial implications of claims made 6) Workforce loss of confidence in organisation 7) Media Scrutiny	1. Professional training standards & Role maps being developed and maintained 2. High quality operational equipment and Personal Protective Equipment alongside robust Health and Safety Arrangements (Policies and Training in place) 3. Operational procedures and Standard Operating Procedures 4. Firefighter Safety remaining the top Organisational objective 5. Major Event Response Protocol in place and up to date 6. Legislation and Governance 7. National, Regional and Local Frameworks 8. Risk Management 9. Asset Management 10. Internal Operational Assurance	8 Medium
SRR10 (was SRR3B) Death or serious injury of Member of Public through Service activities	1) Impact on other employees carrying out similar duties (e.g. Driving). 2) Reputational loss 3) Investigations, legal proceedings and prosecutions. 4) Financial implications of claims made 5) Departmental resilience issues	1. Professional training standards & Role maps being developed and maintained 2. Risk management- Gap analysis - using past incidents to tailor training and development 2. High quality operational equipment and Personal Protective Equipment 3. Operational Procedures and Standard Operating Procedures being reviewed and adhered to 4. Robust Health and Safety Arrangements including Policy and Training 5. Major Event Response Protocol in place. 6. Graded Response Policy	8 Medium

<p>SRR11</p> <p>Change in property management services</p>	<p>Archived 07/21</p> <p>Increase in costs, disruption to service.</p>	<p>Head of Legal Services involved in discussions through PPL Project Delivery Group</p>	
<p>SRR12</p> <p>Legal challenge to Service's stance on suspending immediate detriment payments relating to Sargeant McCloud case.</p>	<p>-high cost implications either outcome</p> <p>-time consuming internal dispute resolution</p>	<p>MOU received from LGA and FBU agreed by SMB to adopt MOU - MOU now suspended by SLB due to government directive.</p> <p>SLB members taking national lead at LGA and NFCC.</p>	<p>TBC</p>
<p>SRR13</p> <p>Uncertainty in the delivery of the Emergency Services Network (ESN). In terms of quality, timescales and cost and the resultant requirement to sustain Airwave beyond the current planned shutdown date at the end of 2022.</p>	<p>11. Inability to provide an effective communications system within the Service as required by the Fire Services Act 2004, including communications over the border and with other emergency services.</p> <p>2. Statutory responsibility will not be achieved. 3. Financial uncertainty in relation to the initial and ongoing costs of ESN.</p> <p>4. Possible acceptance of a less effective system than the current Airwave system</p> <p>5. The Service may suffer a financial impact of transition, however the NFCC is challenging this to see if it can be funded centrally. The cost of ESN is now around £11.5b</p> <p>6. It is anticipated that all FRS's will see an increase in costs from ESN.</p>	<p>. The Home Office remains committed to the delivery of ESN, however the Programme continues to progress under the 'interim' full business case (FBC) signed early 2019. An updated FBC continues to be developed, however large areas of uncertainty remain, which are being worked through, but have potential to drive significant time and therefore cost into the financial model. As a result, the date for the FBC approval has slipped again. Current Programme plans identify the beginning of mass transition for all emergency service as being mid-2022, which means this is unlikely to be completed by the end of 2022, with a more realistic date now thought to be around 2024. The current contracted Airwave shutdown date is end of 2026, however the contract did make provision for further extension to 2028 if required.</p> <p>1. An Area Commander is assigned to ESN which is part-funded by the project.</p> <p>2. The Fire Directorate at the Home Office continues to maintain that FRSs will be funded for all reasonable cost associated with the transition to ESN and will not be subjected to dual running costs for Airwave and ESN</p> <p>3. HWFRS are engaging at a Regional level to mitigate the risk associated.</p> <p>4. regional risk register acknowledging commons across FRS and some individual service risks.</p> <p>5. ESMCP ICT requirements are being monitored by ICT department to ensure service is ready for ESN at point of transitions</p> <p>6. HO has stated they will not shut down airwave until all services have transitioned.</p>	<p>16 High</p>
<p>SRR14</p> <p>HMI Cause for Concern</p>	<p>Failure to identify those most at risk in the community and manage mitigations appropriately.</p> <p>Failure to discharge prevention activity to those at risk.</p> <p>Failure to comply with HMI recommendation could cause reputational damage and Service to be subject to further causes for concern and poor ratings in subsequent inspections.</p> <p>May draw resources away from other Service work programmes</p>	<p>Action plan in development by Prevention Directorate.</p> <p>Created the Prevention Improvement Panel to plan and support implementation of action plan to address cause for concern and act as critical friend.</p>	<p>8 Medium</p>

Report of the Assistant Director: Prevention

Equality Objectives 2021-2025 – Update for Quarter 3 and Quarter 4 2021-2022

Purpose of report

1. To provide a summary of progress against the Service's Equality Objectives 2021-2025 for Quarter 3 and Quarter 4 2021-2022.

Recommendation

It is recommended that Members note the progress made against the Equality Objectives 2021-2025 for Quarter 3 and Quarter 4 2021-2022.

Introduction and Background

2. The Public Sector Equality Duty of the Equality Act 2010 requires all public sector organisations to prepare and publish specific and measurable equality objectives at least every four years.
3. The aim of setting these objectives is to assist the Service to perform the general equality duty and focus on its priority equality issues in order to drive and deliver improvements. The Service's current equality objectives were approved by the Fire Authority on 28 July 2021 and are published on the [Service website](#):

The Four Equality Objectives:

- | | |
|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Our Organisation:

Leadership and Corporate Commitment | <ul style="list-style-type: none">• Our leaders will provide visible leadership to ensure our people; our partners and our communities see the personal commitment to inclusion.• We will maximise the transparency of our organisation so our activities can be scrutinised and we can be held accountable. |
| 2. Our Communities:

Understand, engage and build good relationships | <ul style="list-style-type: none">• We will better understand our communities by ensuring we put in place systems that enable the collection, collation and analysis of community data and information.• We will enhance our engagement with our communities to foster good relationships and understand the community priorities. |

- | | |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------|
| 3. Our People: | <ul style="list-style-type: none">• We will develop our people to better understand diversity and inclusion. |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------|

<p>Develop, engage and understand</p>	<ul style="list-style-type: none"> • We will create an inclusive culture where our people feel able to be themselves. • We will better understand our workforce composition through our workforce data. • We will put in place effective strategies to enable engagement with our staff and networks to continue to develop an inclusive culture.
<p>4. Our Partners:</p> <p>Working together</p>	<ul style="list-style-type: none"> • We will work with external partners to develop strategies that enable effective service provision to our communities. • We will collaborate across our own business functions and staff networks to better build equality and inclusion into our policies, processes and practices to ensure inclusion and our values are at the heart of everything we do.

Progress headlines

4. The equality objectives are being met through an annual programme of work in support of the Service's [People Strategy 2022 – 2025](#). Recommendations from the findings of Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Inspection report 2021 are also built into current and future workplans.
5. Appendix 1 provides a summary of activity against the deliverables expected in Quarter 3 and Quarter 4 2021 – 2022. Progress is RAG rated to demonstrate the areas where actions have been completed or are on-going and there are no significant areas for concern. Good progress has been made despite the impact of COVID on delivery against the in-person elements of the action plan which are being prioritised this year.

Priorities for 2022 - 2023

6. Priorities for the year ahead include:
 - Embedding the Core Code of Ethics for FRSs in line with the Fire Standard;
 - Commissioning a Service-wide inclusion training programme to further embed understanding of inclusion;
 - Furthering engagement with minority groups in our communities;
 - Focusing positive action on under-represented groups;
 - Continuing to support Women@HWFire;
 - Supporting the development of a staff network to support Neurodiversity;
 - Focusing on development opportunities to support female career progression.

Conclusion/Summary

7. The Service continues to make good progress in furthering our equality, diversity and inclusion agenda for the benefit of our employees and our local community. Meeting our Equality Objectives fulfills the requirements of the Public Sector Equality Duty of the Equality Act 2010, and more importantly confirms our commitment to equality, diversity and inclusion.

Corporate Considerations

<p>Resource Implications (identify any financial, legal, property or human resources issues)</p>	<ul style="list-style-type: none"> • There are no resource implications arising from publishing the update. Implications of championing and embedding equality into mainstream business may incur financial and management support for implementation, dissemination of resources and consideration of different ways of working. • The report helps the Service meet its statutory duty under the Equality Act 2010.
<p>Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).</p>	<ul style="list-style-type: none"> • CRMP • Core organisational strategies • People Strategy • EDI Plan • Positive Action Plan
<p>Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).</p>	<p>Failure to demonstrate an ongoing commitment to EDI may damage our reputation as an employer of choice and attract public, media and political scrutiny.</p>
<p>Consultation (identify any public or other consultation that has been carried out on this matter)</p>	<p>There is a continued collaborative approach across all business functions. Ongoing engagement with the Women@HWFire network and Representative Bodies continues to take place.</p>
<p>Equalities (has an Equalities Impact Assessment been completed? If not, why not?)</p>	<p>As this is an update report no equality impact assessment is required. However, any actions arising from the implementation of the equality objectives may require individual assessment.</p>
<p>Data Protection Impact Assessment (where personal data is processed a DPIA must be completed to ensure compliant handling)</p>	<p>N/A</p>

Supporting Information

Appendix 1 – Equality Objectives Progress Update Summary for Quarters 3 & 4 2021 – 2022

Equality Objectives: Q3-Q4 2021 – 2022

Our Organisation – Leadership and Corporate Commitment				
Objective	Action	Performance Measure	Progress Update	RAG
Our leaders will provide visible leadership to ensure our people, our partners and our communities see the personal commitment to inclusion	<ul style="list-style-type: none"> Senior Leadership Board (SLB) Equality objectives: SLB to set measurable Equality objectives for 2022/2023. 	<ul style="list-style-type: none"> Objectives reviewed and outcomes published in Bulletin and website. 	<p>SLB have set their own equality objectives to demonstrate their personal commitment to mainstreaming diversity and inclusion practices across the organisation. These are reviewed on a regular basis and progress communicated to the wider workforce.</p> <p>The Director of Prevention & Assets is attending the Asian Fire Service Association (AFSA) Summer conference in June 2022 along with a cross-section of staff, and key learning points will be shared with SLB colleagues and the wider workforce.</p> <p>It is recommended the SLB objectives continue for 2022/2023.</p> <p>ACFO Guy Palmer continually plays a key role in Women@HWFire, providing leadership and encouragement. Paper has been provided to SLB on the achievements of the network to date.</p> <p>A meeting has been arranged with the three FRA EDI Champions to update on activities and future plans.</p>	Green
	<ul style="list-style-type: none"> People Impact Assessments (EIAs): Review current process and guidance. Establish Quality Assurance process. Deliver workshops. EIA available for scrutiny on our website. 	<ul style="list-style-type: none"> All key decisions, policies and processes are supported by an EIA and published on the Service website, leads to positive outcomes for protected groups. 	<p>Process/knowledge has been embedded in the HR function to support the wider Service on best practice.</p> <p>Two in-house training videos, a toolkit and process have been established. A coordinated approach with relevant stakeholder depts. is underway to support a Service-wide launch, i.e. Performance & Information and Ops Policy. Basic input on PIAs is also being included in the training for Station Prevention Champions to link into the need to understand our communities.</p>	Amber
	<ul style="list-style-type: none"> EDI Policy: Develop overarching EDI policy 	<ul style="list-style-type: none"> Policy published and understood 	<p>EDI policy draft to be amended to align with Core Code of Ethics.</p>	Amber

	<ul style="list-style-type: none"> Equality & Gender Pay Gap Reporting: Complete report and publish results. Communicate results and future actions to staff and community. 	<ul style="list-style-type: none"> Analysis informs specific actions to help reduce the gender pay gap. 	Report for 2020/21 was presented to SLB in December 2021 and Audit and Standards Committee in January 2022. The report has been published on the Service website and the figures reported to Government in line with the regulations.	Green
Our Communities – Understand, engage and build good relationships				
Objective	Action	Performance Measure	Progress Update	RAG
We will better understand our communities by ensuring we put in place systems that enable the collection, collation and analysis of community data and information.	<ul style="list-style-type: none"> Promote accessible services to specific communities: e.g. the Emergency SMS Service for deaf and hard of hearing community to report fire emergencies and incidents. 	<ul style="list-style-type: none"> Positive feedback gathered from protected characteristic groups in the community. 	Senior Technicians within the Prevention team have links with local partners and promote accessible services to specific communities as appropriate. The new Home Fire Safety Visit leaflet has been produced in large print for those who have a sight impairment. NFCC Equality of Access documents are being fully utilised, with the Prevention Team focusing on 2 documents each quarter - exploring further community contacts and training Station Prevention Champions; EDI Officer supporting. This work supports the HMI Cause of Concern recommendations, as it steers focus to different groups who may be vulnerable to fire and other risks and are hard to reach.	Green
	<ul style="list-style-type: none"> Communities at greater risk: Enhance data collated regarding communities at greater risk. 	<ul style="list-style-type: none"> Our communities are better protected from preventable risks. 	National statistics are available through the NFCC Equality of Access documents for protected groups. Local analysis of data undertaken by Prevention and P&I Team. The Senior Technicians in the Prevention team have been working on relevant action plans, with support from the Service's EDI Officer. The Prevention team will be adopting the NFCC Person-Centred Framework, which will allow for the collection of standard national data, including ethnicity, age, specific vulnerabilities.	Amber
We will enhance our engagement with our communities to foster good relationships and understand community priorities	<ul style="list-style-type: none"> Community events: Active participation in events e.g. local Pride events, etc. as a recruitment/ outreach opportunity. Incorporate into Station campaign calendars with rationale behind why Service is supporting; demonstrating how we 	<ul style="list-style-type: none"> Increased attendance and participation at events. Positive feedback gathered from protected characteristic groups in the community and workplace. 	Contact with local community events has been limited due to COVID-19 restrictions during this time. However, the Service continues to support local Pride events where possible. Notable EDI events are also now incorporated into the NFCC campaign calendar which is shared with Stations. This will continue to be	Green

	<p>champion inclusion locally and promote safety messages to specific groups.</p> <ul style="list-style-type: none"> Community groups: Develop and maintain a central list of community groups for engagement and consultation purposes. 	<ul style="list-style-type: none"> Up to date list of contacts developed and utilised. Local priorities are shaped through partnership and community engagement. Groups are consulted on equality plans, recruitment messages, etc. 	<p>done annually.</p> <p>A directory of community group contacts is in development. This will be shared and maintained with Senior Technicians in the Prevention team to aid engagement with protected groups.</p>	<p>Amber</p>
Our People – Develop, engage and understand				
Objective	Action	Performance Measure	Progress Update	RAG
We will develop our people to better understand diversity and inclusion	<ul style="list-style-type: none"> Values / Code of Conduct: Develop guidance for inclusive behaviours to outline expectations of how staff can expect to be treated and how they should treat others. 	<ul style="list-style-type: none"> Discipline, grievance and attendance levels demonstrate staff feel more included in the workplace. 	<p>A Gap analysis has been conducted against the Core Code of Ethics Fire Standard and the Service’s Ethical Framework & Code of Conduct. The organisational sponsor is the Director of Prevention and Assets. A working group is being formulated to embed the Code. A Service wide inclusion training event to be rolled out.</p>	Amber
<p>We will create an inclusive culture where our people feel able to be themselves</p> <p>We will better understand our workforce composition through our workforce data</p>	<ul style="list-style-type: none"> EDI Allies: Develop this staff network and produce TORs, training, events/workshops, etc. 	<ul style="list-style-type: none"> Learning shared amongst Allies and the wider workforce. 	<p>Updates are shared with group members on a regular basis, including events such as NFCC “Lunch and Learns”.</p> <p>An EDI Ally will be attending the AFSA Summer Conference to further increase knowledge and provide opportunities to share learning and best practice.</p>	Green
We will put in place effective strategies to enable engagement with our staff and networks to continue to develop an inclusive culture	<ul style="list-style-type: none"> Reasonable adjustments: Review guidance available to staff and managers. 	<ul style="list-style-type: none"> Updated information available to managers and staff. 	<p>A practical Reasonable adjustments toolkit has been drafted to support line managers and staff. This will be shared with key stakeholders for final review. A process is also now in place to request, record and review reasonable workplace adjustments for staff.</p>	Amber

Our Partners – Working together				
Objective	Action	Performance Measure	Progress Update	RAG
<p>We will work with external partners to develop strategies that enable effective service provision to our communities</p> <p>We will collaborate across our own business functions and staff networks to better build equality and inclusion into our planning, policies, processes and practices to ensure inclusion and our values are at the heart of everything we do</p>	<ul style="list-style-type: none"> Equality groups: Establish/develop relationships with local, regional and national EDI groups and bodies e.g. Worcestershire Equalities Group 	<ul style="list-style-type: none"> Greater engagement and consultation with equality groups. Resources, skills and expertise are pooled to deliver equality outcomes. 	<p>Our EDI Officer is a member of regional and national EDI groups.</p> <p>Engagement continues with local groups e.g. North Worcestershire Hate Crime Partnership and Herefordshire Addressing Hate Crime Partnership.</p> <p>Liaison has taken place with external partners (West Mercia Police, West Sussex FRS) whose Chief Officers, supported Women@HWFire's first webinar – Challenges to Progression. Positive feedback has been received from staff after this event.</p>	Green

Report of the Assistant Director - Prevention

Prevention Cause of Concern – Action Plan Update

Purpose of report

1. To provide an update on the action plan created to discharge the Cause of Concern issued by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) in relation to Prevention Activity.
-

Recommendation

It is recommended that the update on the action plan created to discharge the cause of concern in relation to Prevention activity is noted.

Introduction and Background

2. Following their inspection in 2021, Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) issued the Service a Cause of Concern via a letter on 29 June 2021 from Wendy Williams (Lead Inspector). This stated that:

'Prevention Activity is not a sufficiently high priority for the Service, and it is not adequately identifying those most at risk from fire.'
3. The recommendations from the HMICFRS were that the Service should have plans in place for:-
 - a) An effective system to define the levels of risk in the community.
 - b) The development and delivery of a prevention strategy that prioritises the people most at risk of fire and ensures that work to reduce risk is proportionate.
 - c) The review of systems and processes for dealing with referrals from partner agencies. This is to make sure they are managed effectively and the backlog of safe and well visits is reduced and resourced in accordance with risk.
4. The Service provided the Inspectorate with an action plan setting out how the issues would be addressed. The Assistant Director of Prevention has regular update meetings with the Service's representative from the HMICFRS. The most recent meeting was held on 27 April when the Inspectorate confirmed that they would like to conduct a short revisit to triangulate evidence, talk with relevant people and look at the systems and processes now in place. It is proposed that the revisit will take place in Autumn 2022.

Action Plan Progress

5. The Prevention Improvement Panel (PIP), a cross Service panel created in July 2021 to support and discharge the action plan, held its final meeting on 23 May 2022, having completed all 37 items from the initial action plan.
6. The Service will now focus its attention on embedding these actions, reviewing key performance indicators and quality assuring newly created processes to ensure continual growth and refining of actions against risk.
7. The Prevention Improvement Panel has evolved into a monthly Prevention Strategy Meeting focusing on reviewing trends and on embedding the Prevention Strategy across the Service.
8. On 7 June 2022, representatives from West Midland Fire Service (WMFS) undertook a peer review of HWFRS' delivery against the Prevention Cause of Concern Action Plan and related documents.
9. Their role was to act as a 'critical friend' to review the approach taken to address the Cause of Concern and supporting evidence documents. Initial comments were positive from WMFS representatives who felt confident that the evidence presented showed the progress the Service have made since the Cause of Concern was issued. They will now be making formal recommendations and will provide feedback based on discussions.
10. Any recommendations from WMFS will be considered and formulated in to an action plan. These will be continually monitored, reviewed and updated accordingly.
11. The Prevention team have been considering alternative ways to target Prevention activities to increase the number of Home Fire Safety Visits (HFSVs) the Service undertakes to achieve the target of 8580 per year. Service volunteers have been attending events across the two counties to generate HFSVs and promote fire safety. This includes attendance at Covid vaccination clinics and supporting Firefighters Charity events at prime locations such as local supermarkets and city centres.
12. The NFCC Home Fire Safety Check Online Tool was adopted in April 2022. HWFRS is one of only eight Services nationally that have adopted the tool so far. This is available on the Service website for members of the public and partner agencies to access information and make referrals for a member of the Fire Service to visit. Prevention staff are promoting this across the partnership network and Corporate Communications have shared this using local media and social media platforms. To date this has had 550 hits and generated 75 Home Fire Safety Visits as well as providing a personal fire plan to 100 individuals.
13. The NFCC Person-Centred Framework (PCF) provides guidance for all Fire and Rescue Services to develop a consistent and evidence-based approach to conducting a person-centred Home Fire Safety Visit and was adopted by the

Service in April 2022. Over the coming year the Prevention team will be focusing on embedding:

- The process for standard data collection (from the Home Fire Safety Visit)
 - The process for obtaining evaluation and feedback following a visit
 - Quality assurance of Home Fire Safety Visits for Prevention Technicians and operational crews
 - A further triangulation of local definitions of risk (in line with best practice) and aligning this to a national definition of risk with PCF guidance.
14. Prevention Champions are now in place at every Wholetime Station and are the main point of contact to communicate prevention aims, plans and information to teams at each operational location to embed and sustain a comprehensive prevention service to the local community.
 15. Service personnel and the public continue to be regularly updated on progress in line with the internal and external communications plans which have been created. Alternative methods of marketing and communications have been developed to share Prevention aims and objectives and to promote the Home Fire Safety Visit. This includes designing new Prevention literature to share with communities and partners and linking across our network of partners to promote the Prevention Services on offer.
 16. Please see Appendix 1 for a copy of the most up to date action plan.

Conclusion/Summary

17. This paper presents an update on the action plan to discharge the HMICFRS Cause of Concern in relation to Prevention and identifies that the key work streams on the Action Plan have now been completed.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	Additional resources have been approved to provide sustainable prevention services. Various departments to be included in this area of work.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	This directly links to the HMICFRS Improvement Plan, the Prevention Strategy and Response Strategy.
Risk Management / Health & Safety (identify any risks, the proposed	Risk assessments will be undertaken as required should recommendations to alter prevention service delivery be required.

control measures and risk evaluation scores).	The Prevention Cause of Concern has been added to the Prevention Department Risk Register and has also been escalated to sit on the Strategic Risk Register.
Consultation (identify any public or other consultation that has been carried out on this matter)	Employees and representative bodies will be kept apprised of developments.
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	An impact assessment will be completed as required.
Data Protection Impact Assessment (where personal data is processed a DPIA must be completed to ensure compliant handling)	An impact assessment will be completed as required.

Supporting Information

Appendix 1 – Prevention Cause of Concern Action Plan



HEREFORD & WORCESTER
HWFR
FIRE AND RESCUE SERVICE



PREVENTION

Prevention Cause of Concern Action Plan

23 May 2022

How Hereford & Worcester Fire and Rescue Service
Keeps the Public Safe Through Prevention Activity

Strategic Lead: Anna Davidson – Assistant Director: Prevention

Cause of concern:

Prevention activity is not a sufficiently high priority for the service, and it is not adequately identifying those most at risk from fire.

Recommendations:

By 31 August 2021, the service should have plans in place for:

1. An effective system to define the levels of risk in the community.
2. The development and delivery of a prevention strategy that prioritises the people most at risk of fire and ensures that work to reduce risk is proportionate.
3. The review of systems and processes for dealing with referrals from partner agencies. This is to make sure they are managed effectively, and the backlog of safe and well visits is reduced and resourced in accordance with risk.

Detailed Findings:

We found that the service does not have a clear prevention strategy that identifies and prioritises those most at risk from fire. The service is making very limited use of risk modelling information to ensure prevention activity is targeted at the most vulnerable. We were concerned that prevention activity is not a sufficiently high priority for the service, and it has limited productivity when compared to other similar Fire & Rescue Services. There is limited capacity in the prevention team to deal with referrals, post fire prevention activity and campaigns. There is currently a backlog of referrals for the prevention team to complete and at the time of the inspection operational crews were doing very limited prevention activity. As was found in the round one inspection in 2018, there is also limited evaluation of prevention activity to assess its impact.

Source: HMICFRS letter to CFO Jon Pryce 29-06-21

What does good look like?

The FRS has developed and implemented an ambitious prevention strategy which is informed by local risk and complies with statutory requirements.

The FRS prevention plan is clear about where the greatest risks lie within its area and sets out a clear rationale for the level of activity to prevent fires and other risks.

The FRS uses the findings from prevention, protection and response activity to adapt its prevention plan. FRS prevention activity meets community expectations, and its core functions are sustained regardless of other discretionary priorities for the FRS.

The FRS targets its communications to provide information about fire prevention and to promote community safety. The FRS has a comprehensive understanding of the diverse needs of its communities and ensures that its engagement and communication is designed to be appropriate and accessible to meet those diverse needs.

FRS staff are able to recognise the opportunity to prevent fires and other risks, and are able to take appropriate action.

The FRS works with other FRSs, a wide range of partner organisations and diverse sections of the community to reduce the number of fires and other risks.

The FRS evaluates the impact of its prevention activity and uses this evaluation to improve its own and partners' approaches.

Extracts from HMICFRS Judgment Criteria

Aim:

Hereford & Worcester Fire and Rescue Service aims to discharge the action plan by July 2022.

Objectives:

A summary of key actions required including timescale for delivery.

All actions / evidence collated to meet our objectives will be signed off by a lead officer and the Prevention Improvement Panel.

Objective 1:

To have an effective system to define the levels of risk in the community.

Key:

AD	Assistant Director: Prevention
GC	Group Commander: Prevention
SCP	Station Commander: Prevention
SCH	Station Commander: HMICFRS
PM	Prevention Manager
SCM	Station Commander Malvern
GCN	Group Commander North District
DCFO	Deputy Chief Fire Officer
CFO	Chief Fire Officer

		Completion Date	Lead	Signed Off By/Date
1.1	Add the cause for concern onto the Prevention Risk Register and escalate onto the Strategic Risk Register	26.07.21	CGP PM	AD 27.07.21
1.2	Review of data sources / systems, seeking 3 quotes for replacement geographic information and modelling software, linked to joint system with Protection Directorate	30.09.21	SCH GCP	AD 18.10.21
1.3	Articulate our definition of the categories of people who are most at risk from fire, RTC and other risks what we mean by risk to underpin what we do, i.e. to understand who we target as those most vulnerable and at risk in our communities and be able to communicate that effectively. Collate into a position statement of risk groups and determine what constitutes high, medium and low risk for publication to compliment our Community Risk Management Plan. Using data to identify the risk groups determine from that those who fall into those categories	30.09.21	GCP PM SCP	AD 29.09.21
1.4	As recommended in the Prevention Fire Standard, attend regular regional FRS Prevention working group meetings to share best practice to drive innovation and continuous improvement	Ongoing	PM	AD 13.12.21
1.5	Milestone. Review data sets and devise a clear procedure to establish where the greatest risks lie within the Service area, setting out a clear written rationale for the level of activity to prevent fires and other risks	19.01.22	GCP	AD 19.01.22
1.6	Review community data breakdown to establish which equality of access guidance documents would be most useful to prioritise and use as a Service, mapping recommendations into a paper for SMB	28.02.22	SCP	AD 08.03.22
1.7	In line with the new NFCC guidance on Home Fire Safety Visits (HFSV), review the classification of prevention checks we undertake and publish a summary document	19.01.22	PM	AD 19.01.22
1.8	Following the review of data sources - create a clear rationale being explicit about what data we use and how we use it – map into a flow chart / clarification document	31.03.22	GCP PM SCP	AD 31.03.22
1.9	Milestone. An effective system to define the level of risk in the community will be in place and reviewed annually.	31.03.22	GCP PM SCP	AD 29.03.22



Objective 2:

To develop and deliver a prevention strategy that prioritises the people most at risk of fire and ensures that work to reduce risk is proportionate.

Key:

AD	Assistant Director: Prevention
GC	Group Commander: Prevention
SCP	Station Commander: Prevention
SCH	Station Commander: HMICFRS
PM	Prevention Manager
SCM	Station Commander Malvern
GCN	Group Commander North District
DCFO	Deputy Chief Fire Officer
CFO	Chief Fire Officer

		Completion Date	Lead	Signed Off By/Date
2.1	Communicate the Cause of Concern with Prevention Team	12.07.21	AD GCP	AD 12.07.21
2.2	Progress to date, following the cause of concern issued for prevention activity, reported to SMB	13.07.21	AD	DCFO 13.07.21
2.3	Prevention Improvement Panel established and Terms of Reference confirmed	14.07.21	AD	AD 14.07.21
2.4	Review Prevention Fire Standard and perform gap analysis against Prevention Strategy	21.07.21	AD PM	AD 21.07.21
2.5	Finalise, publish and promote Prevention Strategy, including KPI's for monitoring to assess the impact of prevention activity	30.07.21	AD DCFO CFO	CFO 30.07.21
2.6	Finalise the Prevention Strategy Action Plan and communicate to all staff, as well as agreeing with Station based managers	30.09.21	GCP	AD 02.11.21
2.7	In line with the new NFCC guidance on HFSVs. Collate and map quarterly KPI's for monitoring via P&I department to evaluate prevention activity and assess its impact	31.10.21	GCP PM SCP	AD 16.11.21
2.8	Create and publish a communication plan to articulate and share prevention aims across the service (internal)	31.01.22	GCP	AD 31.01.22
2.9	In line with the new NFCC guidance on HFSVs, formalise the plan for how we establish and maintain a competent and professional workforce to deliver prevention activities, to include the provision of safeguarding training, in a paper /statement of intent	31.01.22	PM	AD 31.01.22
2.10	We will apply an agile and proportionate approach to assessing risk based on need, which will range from telephone advice up to a Safe and Well check with referrals and partners. Applying an efficient and risk based approach will ensure volume and quality in the delivery of our services and this will be recorded in a 3 year prevention strategy action plan	31.03.22	PM	AD 29.03.22
2.11	In line with the Prevention Fire Standard, establish a process to identify and capture feedback from a range of sources; to drive innovation and continuous improvement and enhance future performance. Review and publish the customer feedback and compile an annual report of recommendations.	31.03.22	PM	AD 29.03.22
2.12	Develop a means of evaluating prevention activity to assess its impact of on the local community	30.04.22	PM GCP	AD 23-5-22
2.13	Undertake efficiency based value review, measuring resources in versus outputs, and continue to monitor efficiency.	30.04.22	PM GCP	AD 23-5-22
2.14	Investigate a body to undertake a peer review or external assessment of delivery against our action plan / evidence documents.	30.04.22	GCP	AD 23-5-22



Objective 3:

To review the systems and processes for dealing with referrals from partner agencies. This is to make sure they are managed effectively and the backlog of safe and well visits is reduced and resourced in accordance with risk.

Key:

AD	Assistant Director: Prevention
GC	Group Commander: Prevention
SCP	Station Commander: Prevention
SCH	Station Commander: HMICFRS
PM	Prevention Manager
SCM	Station Commander Malvern
GCN	Group Commander North District
DCFO	Deputy Chief Fire Officer
CFO	Chief Fire Officer

		Completion Date	Lead	Signed Off By/Date
3.1	Extend x4 Fixed Term Prevention Technician contracts until 31.12.21 to increase capacity pending a review of resources	30.06.21	PM	AD 30.06.21
3.2	Confirmation to Response to confirm they will complete home fire safety check as of 19.07.21 pending a full review of prevention work streams by the Prevention Department	16.07.21	AD PM	AD 16.07.21
3.3	Response and Prevention managers to meet to determine our classification of checks	04.08.21	PM SCP GCP	GCP 04.08.21
3.4	Reduce the backlog of checks from 500 to 250	03.08.21	PM SCP	AD 03.08.21
3.5	Eliminate historical backlog of remaining checks	30.10.21	PM	AD 18.10.21
3.6	Obtain feedback from Response on their time in motion study to inform the time available for crews to undertake prevention activity on a weekly basis	03.09.21	GCN	AD 29.09.21
3.7	Undertake a resource mapping exercise, measured against the Prevention Strategy, to determine a long-term sustainable prevention resource, and total service resources required to deliver a sustainable programme of prevention activity in line with the Strategy to include referrals, post fire prevention activity and campaigns	30.09.21	GCP PM SCP	AD 29.09.21
3.8	Paper to SMB to define what the Prevention department and Response teams deliver, what resource there is currently, how we will apply it and finally what we expect to deliver annually with that resource. If additional resources or structural changes are required this will be clearly recommended in this paper	26.10.21	AD GCP	AD 29.09.21
3.9	Allocate clear workloads and targets (with regular KPI management) to Response crews	27.10.21	GCP	AD 02.11.21
3.10	Define clearly the systems and processes for working with other agencies and formalise the partnership working approach and process for feeding back to partner agencies via a paper / statement of intent and include in the Prevention Action Plan	31.10.21	PM SCP	AD 13.12.21
3.11	Working with Corporate Communications develop and publish a Prevention communications plan (External)	30.11.21	PM SCP	AD 13.12.21
3.12	Establish quality assurance process for Home Fire Safety Visits	31.01.22	PM	AD 3-2-22
3.13	Review systems and processes for dealing with referrals from partner agencies, including development of on-line referral form for partner agencies and members of the public to ensure referrals are managed effectively	30.04.22	PM	AD 23-5-22
3.14	Work with relevant partners to plan, promote, support and deliver prevention activities in line with the risks outlined in our CRMP, formalise into an annual plan	31.01.22	PM SCP	AD 4-2-22



Report of Assistant Chief Fire Officer

Health and Safety Committee Update: January to March 2022 (Quarter 4)

Purpose of report

1. The purpose of this report is to provide a Health & Safety update on activities and items of significance.
-

Recommendation

It is recommended that the following issues, in particular, be noted:

- (i) The involvement of the Service in Health and Safety initiatives*
- (ii) Health and Safety performance information recorded during January to March 2022 (Quarter 4)*
- (iii) Workforce Health & Wellbeing performance (Quarter 4)*

Introduction and Background

2. Hereford & Worcester Fire and Rescue Service (HWFRS) aims to ensure the safety and well-being of its employees and to reduce and prevent accidents and injuries at work, as outlined in the People Strategy 2022-2025.
3. The Health and Safety Committee is established to provide effective arrangements for the liaison and review of matters of common interest concerning Health and Safety (H&S). The Committee provides the opportunity for the Service to discuss general H&S issues and consult with the workforce via employee representatives. The Committee is chaired by the Assistant Chief Fire Officer, attended by the FRA H&S Champion and met in Quarter 4 on 16 March 2022.
4. The Committee has the facility to task work to the H&S Working Group, which sits beneath it and is chaired by the Group Commander responsible for Health and Safety. The group meets as and when required.
5. The Group meet regularly, ensuring actions are monitored and implemented at the earliest opportunity. They have been formally tasked with the following:
 - To implement the findings from the NFCC's Death in the Workplace report.
 - To promote and improve fitness standards across the Service.

Health & Safety Initiatives Update

National Activities

6. The NFCC have not issued any guidance or H&S updates during Quarter 4.

Regional Activities

7. As part of the regional audit programme, HWFRS's Health and Safety Advisor was due to support Shropshire FRS's audit during Quarter 4. However, due to a Covid outbreak, this audit has been postponed for 12 months.
8. The next audit scheduled as part of the regional audit programme is Staffordshire FRS and is anticipated to be delivered during Quarter 2 of 2022-23.

HWFRS Local Activities

9. Following on from the last update provided in the Quarter 3 report, HWFRS have continued to monitor and implement safe systems of work via the COVID Recovery Group. Managers have been supplied with best practice guidance issued by Government, NFCC and the HSE to ensure that workplaces and work activities are assessed to prevent the transmission of COVID whilst at work.
10. Of the current 27 Health & Safety Policies there are 5 under scheduled review, which include:
 - Health & Safety Policy
(To be reviewed following organisational restructure)
 - Management of Contractors
(To be reviewed with facilities management)
 - The Production of H&S information
(Consultation phase)
 - Major Event Response Protocol
(Linked to Working Group recommendations)
 - The Misuse of Alcohol and Substances
(Under review with HR)
11. These policies will be reviewed in line with legislative and sector best practice and will undergo formal consultation across the organisation, prior to publication.
12. The risk assessment database (Figure 1) is a central depository of assessments of all work activities. It is owned and maintained by local managers and reviewed by the H&S Advisor.

13. Each risk assessment has a review period, and managers are prompted to carry out reviews. Where risk assessments are no longer applicable, they are archived from the database. During Quarter 4, 314 risk assessments were reviewed, and 31 new risk assessments were created.

Figure 1 – Risk Assessment Database

Location	Quarter 1 (21/22)		Quarter 2 (21/22)		Quarter 3 (21/22)		Quarter 4 (21/22)	
	Reviewed	Created	Reviewed	Created	Reviewed	Created	Reviewed	Created
North District	140	6	85	5	97	12	91	7
South District	105	12	109	18	78	4	79	8
West District	89	19	89	20	66	10	88	15
Training Centre	21	0	44	2	20	0	52	1
Others	41	1	24	2	18	1	4	0
Total	396	38	351	47	279	27	314	31

H&S Working Group activity updates

14. The group is continuing to address the identified action points against the Death in the Workplace analysis. Training of a cohort of local Family Support Officers, was identified as the priority action with a course scheduled for Quarter 1 2022. The H&S Advisor is also working with Shropshire FRS to align policies and procedures, which will provide additional resilience should an event occur.
15. The group has identified several areas of work required in order to implement the new Fitness Policy. During Quarter 4 the draft policy was circulated for informal consultation along with formal analysis of fitness equipment at each location. All feedback received will be reviewed during Quarter 1 and a plan to progress improvements and the implementation findings will be reported to management.

Quarter 4 Performance Report

16. Appendix 1 provides details relating to all safety events reported and investigated during Quarter 4 of the 2021-22 reporting year (January to March).

17. The total number of safety events reported in Quarter 4 increased by 10 compared to the previous quarter. The most significant increase was in the vehicle collision category which increased by 5 and exposure incidents which increased by 3.
18. During the period, there has also been a slight increase in Property and Equipment Damage reported events (+1) and personal injuries (+2). The only category to decrease this quarter is violence and aggression (-1).
19. One injury has been reported to the Health & Safety Executive (HSE) under the RIDDOR regulations, due to it being an over 7-day injury.
20. Three basic specialist investigations occurred relating to a vehicle collision, property/equipment failure and a near hit/cause for concern.
21. The data and trend analysis will be continued to be reviewed by the H&S department. The majority of the events reported this quarter are of a minor nature with localised control measures being implemented.

Workforce Health & Wellbeing Update – Quarter 4 2021-22

National Sickness Data

22. The Cleveland Report (1 April 2021 – 31 March 2022) was issued on 24 May 2022. The report allows comparison between contributing Fire & Rescue Services across the UK on sickness absence. Appendix 2 (Section 1) provides details of HWFRS performance compared to other Fire and Rescue Services.
23. Nationally, there were three main causes of sickness absence for all Fire Services: Musculo-Skeletal (MSK) (31%), Mental Health (22%) and Virus/Infectious Diseases (16%).¹
24. With regards to the whole workforce, HWFRS lost 6.59 days lost per employee. The lowest average was 5.44 days and the highest 14.22 days. The national average is 9.41.
25. HWFRS are above the national average for sickness absence due to an accident at work in the Wholetime workforce group. This was due to long term absence case relating to MSK injuries. Shropshire FRS did not report any sickness absence related to accidents at work and therefore no local comparison can be made.

¹ Please note some Fire Services use the category 'Virus/Infectious Diseases' to capture their COVID-19 data, however, the Service does not report on COVID-19 in this way.

HWFRS Sickness Data and Activity

26. Performance overview provides data relating to all sickness absence by workforce groups and main causes of sickness absence in Quarter 4.
27. The total days/shifts lost to sickness absence was 537.78 arising from 100 occurrences. The data indicates a higher percentage of sickness absences are short term.
28. In comparison to Quarter 3, there has been a decrease in total days/shifts lost to sickness absence in long term sickness for all staff (Q3 at 481 versus Q4 at 210) and an increase in short term sickness for all staff (Q3 at 294.91 versus Q4 at 327.78). This may be attributed to an increased number of reported cold/cough and influenza sickness absences.
29. There were 3 main causes of sickness absence: Respiratory – Cold/Cough/Chest Infections, Gastro-Intestinal, and MSK – lower limb. Respiratory conditions and Gastro-intestinal both accounted for 20% of total sickness absence reported during Quarter 4 and mainly within the Wholetime workforce group.
30. Respiratory conditions are known to be more common during the autumn/winter months and were also the main cause of sickness absence in Quarter 3. The Service continues to offer staff a mechanism to obtain flu vaccinations and access to the Occupational Health Healthy Portal for advice on seasonal illnesses.
31. HR and Health and Safety continue to monitor absence rates and are working proactively with Line Managers to promote safe working/manual handling practices and work in accordance with the Service's Attendance Management policy as appropriate.
32. Whilst the Service does not report on On-Call sickness absence for the purposes of the Cleveland Report, during Quarter 4 there were 5 occurrences due to an accident at work, 1 relating to a long-term sickness case, and 1 case which was referred to Occupational Health (OH). The other 3 work related absences were MSK injuries that were self-certified, and the employees did not require any further support.

Health Management Data and Activity

33. Health Management provides data relating to OH referrals in Quarter 4. There were 35 new management referrals made to OH in Quarter 4, compared to 28 management referrals made in Quarter 3.
34. The top reasons for referrals to OH were MSK disorders and mental health (specifically stress, anxiety and depression) which is consistent with previous reporting Quarters. Of these referrals, 1 was work related. A further 3 referrals were related to mental health, specifically citing work related stress. N.B. mental health is not counted towards work related figures.

35. Where appropriate, treatment for MSK has included referrals for physiotherapy via OH. Support has been offered for mental health referrals, including stress risk assessments as part of return to work plans and counselling support both through OH and the Service's Welfare Support team.
36. ACFO Guy Palmer signed The Mental Health at Work Commitment on behalf of the Service in February 2022. To fulfil our commitment, HR and the Welfare Support Team are currently producing an action plan to support the implementation of the six Standards from the Commitment.
37. To meet one of the Standards, the Service is required to produce a Case Study covering the mental health support provided to staff. The case study is currently being drafted and focuses on the tremendous work carried out by the Welfare Support and Critical Incident Support Teams, who provide mental health support and advice to those who are exposed to traumatic incidents and facing difficult situations.
38. The Service also continues to promote Blue Light Support resources such as the Blue Light newsletter, survey, website and webinars via the Service Bulletin and our Wellbeing SharePoint site.

Routine Medical Assessment Compliance and Outcomes

39. Routine medical assessments provide medical and fitness data from the Operational Assurance Report at the end of Quarter 4 2021-2022.
40. The medical compliance rate of operational staff has decreased in Quarter 4 compared to Quarter 3. 57% of employees who are required to have an annual medical assessment were in date in Quarter 4, compared to 80% in Quarter 3. OH have been prioritising out of date medicals from the previous Quarter (3) and will now focus on this Quarter (4). Employees due a medical in Quarter 4 will be picked up within the next quarter. We have requested that annual medicals are booked in with OH as they expire, as they have a higher reoccurrence, and this will improve the compliance rate.

Routine Fitness Assessment Compliance and Outcomes

41. The fitness compliance rate of operational employees has increased in Quarter 4 compared to Quarter 3. The Service's Fitness Advisor, HR team, and Station local management have worked together to ensure staff with out of date tests attend scheduled fitness tests. This will continue to be monitored and instances of non-attendance escalated to Station Commanders for remedial action.
42. The data confirms that there is a total of 20% of currently tested staff sitting in the "amber zone", equating to around 1 in 5 staff. As well as the introduction of the new Fitness policy, the Service is exploring further holistic support for staff in the amber and red VO2 max categories including dietary/nutrition and lifestyle advice.

43. From 1 July 2022, the Service will be assigned a new Fitness Advisor due to a change in the University of Worcester's delivery model. The new member of the team will be fully assigned to the Service after a period of induction and shadowing with both the current Fitness Advisor and the Fitness Contract Clinical Lead.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	Contained within H&S budgets and departmental capacity.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	Corporate Strategy: ensuring firefighter safety.
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	Reduces the overall impact for H&S management in the areas identified and safeguards the Services legal requirements.
Consultation (identify any public or other consultation that has been carried out on this matter)	Representative bodies attend H&S Committee and are fully consulted on H&S matters.
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	N/A
Data Protection Impact Assessment (where personal data is processed a DPIA must be completed to ensure compliant handling)	All personal data has been removed from the reports contained within Appendix 1.

Supporting Information

Appendix 1: Quarter 4 (January to March 2022) Event Reporting and Summary

Health and Safety Quarterly Report Quarter 4 (January 2022 – March 2022) Event Reporting and Summary

1. Overview

In the period of January 2022 to March 2022 a total of **40** Health and Safety (H&S) events were reported. They fall into the categories of:

- 10 Personal Injury
- 17 Vehicle Collisions
- 3 Property or Equipment
- 6 Near Hits or Causes for Concern
- 3 Exposure or Contamination
- 1 Violence or Aggression

Individual detailed summaries of reporting in the key areas above are outlined in Appendix A.

2. Breakdown of Events

By Activity

Table 1 shows that during Q4, personal injuries and vehicle collisions were the most frequently reported incidents. The majority of vehicle collisions and personal injuries occurred during operational activities.

	Total	Training	Operational Activities	Routine Activities	Non-Service Related Activities
Total H&S Events Q4	40	7	19	12	2
Personal Injury	10	1	6	3	0
Vehicle Collision	17	2	8	6	1
Property or Equipment Failure	3	1	0	1	1
Near Hit or Cause for Concern	6	2	2	2	0
Exposure or Contamination	3	1	2	0	0
Violence or Aggression	1	0	1	0	0

Table 1: Safety Event Breakdown Q4 2021-2022

By Injury Type

Table 2 identifies the manual handling category as being the main cause of personal injuries.

Total Personal Injuries	10
Manual Handling	5
Slips, Trips & Falls	3
Hit by Moving Object	2
Hit Stationary Object	0
Burns – Operational	0
Burns – Training	0
Other	0

Table 2: Personal Injury Breakdown Q4 2021-2022

By Vehicle Type

Table 3 highlights that vehicle collisions during this quarter have mostly involved appliances not on blue lights.

Vehicle Collisions	Fire Engines		Cars and Vans		Non-Service related
	On blue lights	Off blue lights	On blue lights	Off blue lights	
Total Collisions	4	9	1	3	0

Table 3: Vehicle Breakdown Q4 2021-2022

Vehicle Mileage Statistics

Vehicle mileage statistics for the year 2020-2021 were provided by the Operational Logistics Fleet Department and have been used to predict vehicle mileage for 2021-22. These are summarised in Table 3A below. It can be seen that there were four white fleet safety events out of approximately 74,095 miles driven, which equates to one event for every 18,523 miles driven.

The 13 safety events involving red fleet vehicles were out of approximately 52,933 miles driven, which equates to one event for every 4,071 miles driven.

Fleet	Total Mileage 2020-2021	Predicted Mileage Q4 2021-2022
White Fleet	296,381	74,095
Red Fleet	211,732	52,933
	Totalling 508,113 miles	Totalling 127,028 miles

Table 3A: Vehicle Mileage Statistics Q4 2021-2022



3. Events Requiring Investigation during Quarter 4 (January 2022 – March 2022)

Tier One Investigations

A Tier One standard investigation is required for all safety events and is usually conducted by the on-duty / line manager present at the time of the event. Events that are minor in nature usually remain at this tier.

Tier Two Basic Specialist Investigations

In addition to the standard investigation required for Tier One, a Basic Specialist Investigation (SI) is required for:

- Rare, unusual or unlikely events resulting in either serious injuries or losses, or with the potential to incur such injuries or losses.
- Events involving Breathing Apparatus (BA).
- Near Hits resulting from unusual conditions or with the potential to cause serious injury or loss that are rare or unlikely to reoccur.

Three events reported during Q4 required a Tier Two Basic Specialist Investigation:

1465 - 1 relates to a vehicle accident. Whilst responding to a fire call, the appliance locker handle caught another vehicle causing some scuffs. **EMERGENCY RESPONSE**

1458 - 1 relates to property/equipment damage. The Halmatro cutter failed on a RTC drill. **BASIC SI**

1453 - 1 relates to a near hit / cause for concern. Whilst in an in-expirable atmosphere the LDV on the BA set went into free flow. **BASIC SI**

Tier Two Full Specialist Investigations

A full SI may be assigned immediately or following a Basic SI and is required for:

- Possible or likely events resulting in serious injuries or losses.
- All significant events involving Breathing Apparatus (BA).
- Near Hits resulting from unusual conditions or with the potential to cause serious injury or loss that are possible or likely to reoccur.

No safety events were reported during Q4 that required a full Specialist Investigation.

Tier Three MERP Specialist Investigations

A Tier Three Specialist Investigation is conducted as required by the Major Event Response Protocol (MERP) SPI. These are for the most serious events such as death or potentially life-threatening injury to a member of HWFRS whilst on duty, or a third party either occurring on Service property or as a result of an act or omission by HWFRS.

No safety events during Q4 required a Tier Three Specialist Investigation.

RIDDOR Events for Quarter 4 (January 2022 – March 2022)

During Q4, one RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) report was submitted to the Health and Safety Executive (HSE) as an over 7 day injury.

1447 - 1 relates to a personal injury. Whilst taking down a ladder the firefighter sustained a left bicep injury.

4. Comparison between Quarters and Trend Analysis

Comparison of Events Reported Showing Differences Q4 2020-21 & Q4 2021-22

Table 4 below compares the number of events reported in Q4 2020-21 and Q4 2021-22 for the different categories. For events over the last 12 months, four of the categories experienced a decrease, while one reported an increase.

Overall, event reporting as a whole decreased by 15 over the period, with 40 reports in Q4 2021-22 compared to 55 in Q4 2020-21. The decrease was driven by a significant fall in Near Hits and personal injuries.

Event Type	Q4 2020-21	Q4 2021-22	Increase/Decrease
Personal Injuries	17	10	-7
Vehicle Collisions	13	17	+4
Property or equipment	4	3	-1
Violence & Aggression	3	1	-2
Near Hits	15	6	-9
Exposure / contamination	3	3	+/-
Overall	55	40	-15

Table 4: Quarterly Events Reported Q4 2020-21 and Q4 2021-22

Trend Analysis

In summary compared with the previous year, there was a decrease in the number of events reported during Q4 (-15).

The main decrease was Near Hits (-9) and personal injuries (-7). The only increase was vehicle collisions (+4).

All events that occurred during the quarter were investigated at a minimum of Tier One local level investigation to identify preventative control measures and help to reduce the likelihood of similar occurrences.

12 Month Trend Analysis

Table 5 below breaks down the latest four quarters by reported accident type. Q4 figures show an increase in the number of event reported.

Exposures and vehicle collisions have the highest increases, with violence reports decreasing.

	Q1 21/22	Q2 21/22	Q3 21/22	Q4 21/22
Total H&S Events	46	40	30	40
Personal Injury	18	14	8	10
Vehicle Collision	14	11	12	17
Property or Equipment Failure	2	0	2	3
Near Hit or Cause for Concern	9	8	6	6
Exposure or contamination	1	2	0	3
Violence or Aggression	2	5	2	1

Table 5: 12 Month Trend Analysis Q1 2021 – 2022 to Q4 2021 – 2022

Brief Description of all Safety Events

A1. Personal Injury

Of the **40** H&S events reported, **10** relate to the category of Personal Injury. These are described in Table A1 below:

Sub-Categories	Break-down of Injuries in Each Sub-Category
3 events were during routine activities	1443 - 1 relates to a personal injury. A member of staff caught their finger in their locker door.
	1447 - 1 relates to a personal injury. Whilst taking down a ladder the firefighter sustained a left bicep injury.
	1471 - 1 relates to a personal injury. The hand sanitiser tap had dried up causing the gel to squirt out at an angle into a member of staffs face/eye.
6 events were during operational activities	1334 - 1 relates to a personal injury. Whilst carrying the animal rescue kit across a muddy field the firefighter fell and twisted their lower back.
	1445 - 1 relates to a personal injury. Whilst opening the bonnet of a vehicle the firefighter felt pain in their back.
	1451 - 1 relates to a personal injury. A firefighter hit their ankle whilst getting out of their vehicle.
	1456 - 1 relates to a personal injury. On opening the appliance locker a powder fire extinguisher fell out and hit their firefighter on the foot.
	1461 - 1 relates to a personal injury. A firefighter cut their wrist on the open fracture of an RTC fatality.
1469 - 1 relates to a personal injury. Whilst running out a hose reel, the firefighter twisted their ankle on uneven ground.	
1 event was during operational training	1474 - 1 relates to a personal injury. Whilst responding and securing the Mod 4 the locking lever jerked away from the firefighter causing injury to their back and shoulder.
	Totalling 10 personal injuries
	21.5 Calendar Days / 16 Working days lost.

Table A1: Personal Injuries Reported during Q4 2021 – 2022

A2. Vehicle Collisions

Of the **40** H&S events, **17** relate to the category of Vehicle Collisions, which are further described in Table A2 below. All of these events could be attributed to the FRS driver; these events are highlighted in grey. If these collisions occurred whilst responding to an operational incident the category of response has been provided in bold. Driver training have sent out a Bulletin item for crews to familiarise themselves with the 'Banks person' CTR technical knowledge package and requesting that when contact is made with tree branches, crews should contact the local highways team to get the hazard removed.

Sub-Categories	Breakdown of Vehicle Collisions in Each Sub-Category
6 events were during routine activities	1433 - 1 relates to a vehicle accident. Whilst manovering the appliance struck a traffic bollard.
	1439 - 1 relates to a vehicle accident. Whilst pulling up to park the appliance caught a wooden kerb, breaking the kerb.
	1446 - 1 relates to a vehicle accident. Whilst driving along a muddy track the vehicle stuck a large pothole causing damage to the sill, bumper and wheel arch.
	1452 - 1 relates to a vehicle accident. Whilst reversing into the pump bay the wing mirror got broken.
	1460 - 1 relates to a vehicle accident. When stopping at a red light, the car behind drove into the back of the service vehicle.
	1467 - 1 relates to a vehicle accident. Damage was caused to the top corner of the appliance roof.
8 events were during operational activities	1444 - 1 relates to a vehicle accident. Whilst manovering around a tight bend the appliance locker handle caught a tree root causing damage to the locker hinges and door rail. EMERGENCY RESPONSE
	1449 - 1 relates to a vehicle accident. Whilst returning from an incident a low hanging tree caught the ladder on the appliance resulting in a twisted runner on the ladder.
	1459 - 1 relates to a vehicle accident. The appliance entered water that was deeper than expected, resulting in the engine cutting out.
	1463 - 1 relates to a vehicle accident. Whilst manovering the appliance between a parked car and tree, the tree caught the wing mirror and knocked it off the appliance. EMERGENCY RESPONSE
	1464 - 1 relates to a vehicle accident. Whilst enlisting the help of a farmer and his tractor to get over a muddy area the metal chins used to tow the appliance got caught on the hydrant fill, shearing it off, and bending the towing eye.
	1465 - 1 relates to a vehicle accident. Whilst responding to a fire call, the appliance locker handle caught another vehicle causing some scuffs. EMERGENCY RESPONSE
	1473 - 1 relates to a vehicle accident. When exiting the appliance the driver's side door scrapped the bonnet of a parked vehicle. EMERGENCY RESPONSE
1470 - 1 relates to a vehicle accident. Whilst driving up a driveway to an incident the appliance wheel caught a tree, denting the wheel trim and fuel tank. EMERGENCY RESPONSE	
1 event was non service related	1448 - 1 relates to a vehicle accident. Whilst reversing their car a member of staff came into contact with a low wall.
2 events were during training activities	1440 - 1 relates to a vehicle accident. Whilst driving along a dual carriageway a van pulled out of a driveway to join the main carriageway. The appliance signalled to move over to avoid a collision; however the van then decided to turn right in front of the appliance. The appliance hit the van side on and pushed it along the road before coming to a stop.
	1466 - 1 relates to a vehicle accident. When pulling out of the appliance bay too sharply the appliance made contact with the wall.
	Totalling 17 vehicle collisions

Table A2: Vehicle Collisions Reported during Q4 2021 – 2022

A3. Property or Equipment Damage

Of the **40** H&S events, **3** relate to the category of Damage to Property or Equipment. These are further described in Table A3 below.

Sub-Categories	Breakdown of Property or Equipment Damage in Each Sub-Category
1 event was during training activities	1458 - 1 relates to property/equipment damage. The Halmatro cutter failed on a RTC drill. BASIC SI
1 event was during routine activities	1457 - 1 relates to property/equipment damage. The secondary glazing fell out of a window but did not break.
1 event was non service related	1468 - 1 relates to property/equipment damage. The keep of the entrance barrier arm was broken following a delivery.
	Totalling 3 property or equipment damage

Table A3: Property or equipment damage during Q4 2021 – 2022

A4. Near Hits or Causes for Concern

Of the **40** H&S events, **6** relate to the category of Near Hits or Causes for Concern - these are further described in Table A4 below.

Sub-Categories	Breakdown of Near Hits or Causes for Concern in Each Sub-Category
2 events were during training activities	1442 - 1 relates to a near hit / cause for concern. Whilst using a rope control device it was noticed that the line didn't pay through correctly, creating a slack line.
	1453 - 1 relates to a near hit / cause for concern. Whilst in an in-expirable atmosphere the LDV on the BA set went into free flow. BASIC SI
2 events were during operational activities	1431 - 1 relates to a near hit / cause for concern. Whilst attending a gaining entry incident after being requested by the ambulance service, the firefighter was put at risk due to the occupant being in possession of a knife.
	1472 - 1 relates to a near hit / cause for concern. Whilst using the WRV the boat hit an area of shallow water causing a prop strike. The propeller clip was in the insecure position which allowed it to ride over the rocks with no damage to the boat and without ejecting the crew.
2 events were during routine activities	1441 - 1 relates to a near hit / cause for concern. Whilst removing a GTS board from where it was stored, it got caught and then nearly hit a crew member.
	1462 - 1 relates to a near hit / cause for concern. The temperature in the OCC became excessive resulting in staff being unable to work satisfactorily.
	Totalling 6 near hits or causes for concern

Table A4: Near Hits or Causes for Concern Reported during Q4 2021/22

A5. Violence or Aggression

Of the **40** H&S events, **1** relates to the category of Violence or Aggression.

Sub-Categories	Breakdown of Violence/Aggression in Each Sub-Category
1 event was during operational activities	1454/55 - 1 relates to violence/aggression. The firefighter asked a member of public to move out of the way whilst he was running out a length of hose. The person shouted at the FF, refused to move and the slapped the FF in the face.
	Totalling 1 violence/aggression event.

Table A5: Violence or Aggression Reported during Q4 2021/22

A6. Exposure or Contamination

Of the **40** H&S events, **3** relate to the category of Exposure or Contamination.

Sub-Categories	Breakdown of Exposures in Each Sub-Category
1 event was during training activities	1450 - 1 relates to an exposure. A firefighter became ill after exposure to river water during training.
2 events were during operational activities	1437 - 1 relates to an exposure. Following the explosion of a gas cylinder, firefighters may have been exposed to asbestos particles in the air.
	1438 - 1 relates to an exposure. Whilst carrying out tasks inside a building, crews may have been exposed to asbestos
	Totalling 3 Exposure events.

An exposure event will be investigated where a harmful substance has entered the body through a route e.g. by inhalation, ingestion, absorption, by injection or when the body is irradiated. Where there is uncertainty as to whether any exposure has taken place, or this is negligible, then this would be recorded as a potential exposure and an investigation would not normally be instigated, unless related symptoms develop.

A contamination event occurs where a substance has adhered to or is deposited on people, equipment or the environment, creating a risk of exposure and possible injury or harm.

There were no reports of skin reddening during Q4. Skin reddening is recorded following training or incidents where immediately following exposure to high temperatures there is some skin discolouration which may be a result of this exposure. These occurrences are recorded and if they continue past 24 hours these are reported as a Personal Injury Safety Event.

17 potential exposure/contamination incidents were recorded during Q4, involving firefighters. Potential exposure/contaminations are where personnel have been exposed (during training or incidents) to hazardous environments but where appropriate control measures were implemented. For example when entering open water during training.