



HEREFORD & WORCESTER Fire Authority

Audit and Standards Committee

AGENDA

Wednesday, 25 April 2018

10:30

Conference Suites

**Headquarters, 2 Kings Court, Charles Hastings Way,
Worcester, WR5 1JR**

ACTION ON DISCOVERING A FIRE

- 1 Break the glass at the nearest **FIRE ALARM POINT**.
(This will alert Control and other Personnel)
- 2 Tackle the fire with the appliances available – **IF SAFE TO DO SO**.
- 3 Proceed to the Assembly Point for a Roll Call –

CAR PARK OF THE OFFICE BUILDING ADJACENT TO THE CYCLE SHED TO THE LEFT OF THE ENTRANCE BARRIER TO 2 KINGS COURT.

- 4 Never re-enter the building – **GET OUT STAY OUT**.

ACTION ON HEARING THE ALARM

- 1 Proceed immediately to the Assembly Point

CAR PARK OF THE OFFICE BUILDING ADJACENT TO THE CYCLE SHED TO THE LEFT OF THE ENTRANCE BARRIER TO 2 KINGS COURT.

- 2 Close all doors en route. The senior person present will ensure all personnel have left the room.
- 3 Never re-enter the building – **GET OUT STAY OUT**.

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Toilets – please ask at reception.

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- the right to attend all Authority and Committee meetings unless the business to be transacted would disclose “confidential information” or “exempt information”;
- the right to film, record or report electronically on any meeting to which the public are admitted provided you do not do so in a manner that is disruptive to the meeting. **If you are present at a meeting of the Authority you will be deemed to have consented to being filmed or recorded by anyone exercising their rights under this paragraph;**
- the right to inspect agenda and public reports at least five days before the date of the meeting (available on our website: <http://www.hwfire.org.uk>);
- the right to inspect minutes of the Authority and Committees for up to six years following the meeting (available on our website: <http://www.hwfire.org.uk>); and
- 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
HWFR
FIRE AND RESCUE SERVICE

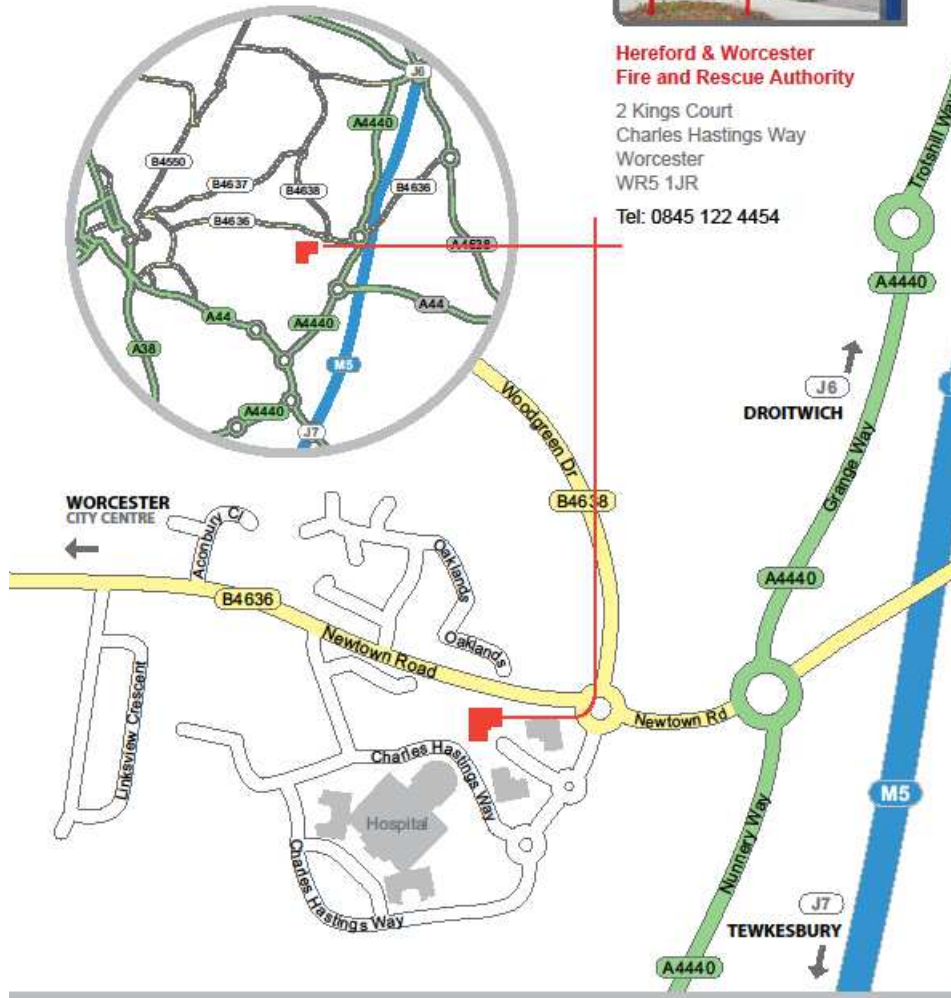
Service Headquarters



Hereford & Worcester Fire and Rescue Authority

2 Kings Court
Charles Hastings Way
Worcester
WR5 1JR

Tel: 0845 122 4454





Hereford & Worcester Fire Authority

Audit and Standards Committee

Wednesday, 25 April 2018, 10:30

Agenda

Councillors

Mr M Hart (Chairman), Mr A Amos (Vice Chairman), Ms P Agar, Ms K S Guthrie, Mr I D Hardiman, Mr Al Hardman, Mr J L V Kenyon, Mr R I Matthews, Mr P Middlebrough, Dr K Pollock, Professor J W Raine, Mr S D Williams

No.	Item	Pages
1	Apologies for Absence To receive any apologies for absence.	
2	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.	
3	Confirmation of Minutes To confirm the minutes of the meeting held on 24th January 2018.	7 - 9
4	External Audit Draft Plan 2018/19 (2017/18 Accounts) To consider the Audit Plan from the Authority's External Auditor Grant Thornton UK LLP, that sets out the work for the 2017/18 audit, to be undertaken in 2018/19.	10 - 30

5	Informing Audit Risk Assessment 2017/18 Accounts	31 - 55
	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 2018/19 in respect of the 2017/18 Accounts.	
6	Internal Audit Monitoring Report 2017/18	56 - 66
	To provide the Committee with a progress update on the 2017/18 audit plan delivery.	
7	Internal Audit Draft Plan 2018/19	67 - 74
	To provide the Committee with the Draft Audit Plan for 2018/19	
8	Annual Governance Statement 2017/18	75 - 126
	To consider evidence compiled during the self assessment review which provides the assurances that sit behind the Annual Governance Statement and put forward the Draft Annual Governance Statement 2017/18 for approval.	
9	Constitution Changes: Standing Orders for the Regulation of Contracts	127 - 140
	To propose amendments to the Standing Orders for the Regulation of Contracts to give effect to the Public Contract Regulations 2015 and to reflect more accurately current practice.	
10	Annual Report on Compliments, Complaints and Requests 2017/18	141 - 144
	To update the Committee with details of compliments, complaints, concerns and requests made by the public to the Service over the past 12 months.	
11	Update from the Health and Safety Committee	145 - 160
	To provide the Audit & Standards Committee with an update on the activities and items of significance from the Service's Health and Safety Committee.	



Hereford & Worcester Fire Authority

Audit and Standards Committee

Wednesday, 24 January 2018, 10:30

Minutes

Members Present: Mr A Amos, Ms K S Guthrie, Mr I D Hardiman, Mr AI Hardman, Mr M Hart, Mr R I Matthews, Mr P Middlebrough, Dr K Pollock, Professor J W Raine, Mr S D Williams

89 **Apologies for Absence**

There were no apologies for absence.

90 **Named Substitutes**

There were no named substitutes.

91 **Declarations of Interest (if any)**

There were no interests declared.

92 **Confirmation of Minutes**

RESOLVED that the minutes of the meeting of the Audit and Standards Committee held on 6 September 2017 be confirmed as a correct record and signed by the Chairman.

93 **Annual Audit Letter 2016/17**

The External Auditors, Grant Thornton UK LLP, presented the report and confirmed that an unqualified opinion on the Authority's 2016/17 financial statements and value for money conclusion had been issued mid September 2017. Financial statements were considered to give a true and fair view of the Authority's financial position and the statements presented were sound.

The Committee were asked to note that good progress had been made to

prepare for the earlier issue deadline of 31 July in 2018 and that the new engagement lead for Grant Thornton UK LLP would be present at the next Audit and Standard's Committee.

RESOLVED that the Annual Audit Letter 2016/17 from External Auditors, Grant Thornton UK LLP be noted.

94 Internal Audit Monitoring Report 2017/18

The Internal Auditor provided the Committee with a progress update on the 2017/18 audit plan delivery. Members' attention was drawn to three areas of focus; Corporate Governance, Training and Development and Transformational Planning. Members were reassured that no high priority recommendations had been identified and that clear and robust management action plans were in place to address areas that needed to be strengthened.

RESOLVED that the Internal Audit Monitoring Report 2017/18 be noted.

95 Gender Pay Gap Report

The Committee was presented with a report detailing the gender pay gap in Hereford & Worcester Fire and Rescue Service (the Service), prior to the publication of the Gender Pay Gap Report on the corporate website and the Government's reporting website. Members were advised to note that Gender Pay Gap reporting illustrated the distribution of pay grades by gender through our workforce. This is different to an Equal Pay Audit which measures whether men and women in the same employment performing equal work receive equal pay. It was emphasised that the Service was already recognised as an equal pay and opportunities employer and noted that data must be seen as a 'snapshot' informing headline facts required for publication.

Members recognised that comparative data was unavailable at this time and requested that a report be brought back to the Committee in 12-18 months.

RESOLVED that:

- i) The gender pay gap figures are noted;***
- ii) Progress to bridge the gender pay gap is monitored via SMB; and***
- iii) The Gender Pay Gap Report is published on the corporate***

website and Government's reporting website together with a signed statement confirming the information is accurate.

96 Update from the Health and Safety Committee

The Committee were provided with an update on activities from the Service's Health and Safety Committee. In particular Members were asked to note the significant work that had taken place around the Risk Assessment Database. In addition it was highlighted that as part of an agreed regional business plan the Service had been selected to participate in a targeted Health and Safety Audit around four specific areas and that this was due to take place from 20-22 March 2018. An update on this would be given at the next Committee.

Members were reassured that no notable trends in health and safety instances had been identified.

RESOLVED that the activities and items of significance from the Health and Safety Committee be noted, in particular:

- i) Health and Safety performance information recorded during July 2017 to September 2017 (Quarter 2)***
- ii) The involvement of the Service in a number of Health and Safety initiatives.***

The Meeting ended at: 11:21

Signed:.....

Date:.....

Chairman

Report of the Treasurer

External Audit Plan 2018/19 (2017/18 Accounts)

Purpose of report

To consider the Audit Plan from the Authority's External Auditor Grant Thornton UK LLP, that sets out the work for the 2017/18 audit, to be undertaken in 2018/19.

Recommendation

The Treasurer recommends that the Audit Plan attached at Appendix 1 be noted.

Introduction and Background

1. The External Auditor is required to inform the Authority of the work they will undertake during an annual audit and this is submitted in the form of an Audit Plan.
2. The Audit Plan is based on the Grant Thornton's risk-based approach to audit planning.
3. 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)

Key Milestones and Deadlines

4. The Authority is required to prepare the accounting statements by 31 May 2018.
5. The Authority is required to publish the accounts along with the Auditor's Opinion, by 31 July 2018.
6. The proposed timetable and planned outputs are included within the report which will be presented by Grant Thornton.

Conclusion/Summary

7. The Audit Plan sets out the work that will be undertaken during the audit of the 2017/18 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 –Audit Plan

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

External Audit Plan

Year ending 31 March 2018

Hereford & Worcester Fire Authority
April 2018



Contents



**Your key Grant Thornton
team members are:**

Phil Jones
Director

T: 0121 232 5232
E: phil.w.jones@uk.gt.com

Neil Preece
Manager

T: 0121 232 5292
E:neil.a.preece@uk.gt.com

Allison Thomas
Audit Executive

T:0121 232 5278
E : Allison.A.Thomas@uk.gt.com

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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 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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Introduction & 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 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 on the [PSAA website](#).

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:

- financial statements (including the Annual Governance Statement) that have been prepared by management with the oversight of those charged with governance (the Audit & Standards Committee); and
- Value for Money arrangements in place at the Authority for securing economy, efficiency and effectiveness in your use of resources.

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	<p>Those risks requiring specific audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:</p> <ul style="list-style-type: none">• 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 asset and liability as reflected in its balance sheet represent significant estimates in the financial statements. <p>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.</p>
Materiality	<p>We have determined planning materiality to be £0.629m (PY £0.717m), which equates to 2% of your forecast gross expenditure for the year. 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 £31k (PY £36k). We have set a separate lower materiality level for the disclosure note on senior manager's remuneration. In view of the sensitivity of this note to the reader of the accounts, we have set a materiality level of £100k.</p>
Value for Money arrangements	<p>Our risk assessment regarding your arrangements to secure value for money have identified the following VFM significant risks:</p> <ul style="list-style-type: none">• The gap in the Authority's Medium Term Financial Plan
Audit logistics	<p>Our interim visit will take place in January and March and our final visit will take place in June and July. Our key deliverables are this Audit Plan and our Audit Findings Report.</p> <p>Our fee for the audit will be no less than £32,872 (PY: £32,872) for the Authority.</p>
Independence	<p>We have complied with the Financial Reporting Council's Ethical Standard 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.</p>

Deep business understanding

Changes to service delivery	Changes to financial reporting requirements	Key challenges	
<p>Police & Crime Commissioner (PCC)</p> <p>In October the PCC submitted a full business case to take over the governance of the Authority. The Home Secretary appointed an Independent Assessor to consider the impact on public safety and the realism of the forecast savings. In March the PCC proposals were approved. Any change to the governance arrangements is likely to happen after May 2018. This will affect who we report our Audit Findings to.</p>	<p>Changes to the CIPFA 2017/18 Accounting Code</p> <p>CIPFA have introduced other minor changes to the 2017/18 Code which confirm the going concern basis for local authorities, and updates for Leases, Service Concession arrangements and financial instruments.</p>	<p>Financial pressures</p> <p>The latest Medium Term Financial Plan (MTFP) was approved in February. This reported that, with use of reserves totalling £4.5m, there is a balanced budget to 2021/22. Indicative projections for 2022/23 and 2023/24 show deficits of £697k and £616k respectively..</p> <p>As a consequence it is estimated that the Authority will need to identify further on-going annual savings of around £700k by 2022/23 .</p> <p>The Authority has a number of schemes in progress to close the remaining gap, but moving to a financial breakeven position for the long term remains a challenge.</p>	<p>A changing workforce</p> <p>The workforce is changing and becoming more diverse. Employees don't necessarily stay in the same profession for all of their working life. To attract and retain high quality staff the Authority needs to be able to offer flexible contracts to attract different groups. For example, people with childcare commitments. Firefighters tend not to serve the full 30 years now as they used to – this makes it challenging to get the numbers right.</p>
<p>Blue light collaboration</p> <p>The provisions of the Policing and Crime Act 2017 came into effect on 3 April 2017. These provisions included:</p> <ul style="list-style-type: none">• introducing the duty to collaborate on all three emergency services;• enabling PCCs to take on FRA functions where a local case is made; and• enabling PCC representation on a Fire Authority with voting rights where the Fire Authority agrees. <p>These provisions are expected to change the structure and legal status of many police bodies and fire and rescue authorities.</p> <p>The most visible evidence of collaboration being implemented is within the estates of both Fire and Police Services. This includes building a combined Police and Fire Station at Bromsgrove the Joint Operations and Communications Centre (JOCC) located within the grounds of the Police Headquarters at Hindlip Park.</p> <p>The Authority will need to continue to seek different ways of working and collaborative opportunities in order to meet future budgetary requirements.</p>	<p>Accounts and Audit Regulations 2015 (the Regulations)</p> <p>The Department of Communities and Local Government (DCLG) is currently undertaking a review of the Regulations, which may be subject to change. The date for any proposed changes has yet to be confirmed, so it is not yet clear or whether they will apply to the 2017/18 financial statements.</p> <p>Under the 2015 Regulations local authorities are required to publish their accounts along with the auditors opinion by 31 July 2018.</p> <p>Based on performance last year this will be challenging, but is achievable. The finance team has been strengthened with a recently retired member of staff returning on a part time basis to support the year end close down and accounts production.</p>	<p>New Fire Service Inspectorate</p> <p>As part of its Fire Reform agenda the Government has expanded the remit of the existing Police inspectorate to cover the role of Fire services. The newly established HMICFRS will undertake inspections of Fire services going forward and has recently announced its first three pilot sites – Hereford & Worcester was not one of these.</p>	

Our response

- We will consider your arrangements for managing and reporting your financial resources as part of our work in reaching our Value for Money conclusion.
- We will consider whether your financial position leads to uncertainty about the going concern assumption and will review any related disclosures in the financial statements.
- We will keep you informed of changes to the Regulations and any associated changes to financial reporting or public inspection requirements for 2017/18 through on-going discussions and invitations to our technical update workshops.
- As part of our opinion on your financial statements, we will consider whether your financial statements reflect the financial reporting changes in the 2017/18 CIPFA Code.

Significant risks identified

Significant risks are defined by professional standards as risks that, in the judgement of the auditor, require special audit consideration because they have a higher risk of material misstatement. Such risks often relate to significant non-routine transactions and judgmental matters. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood.

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
The revenue cycle includes fraudulent transactions	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>
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>Management over-ride of controls is a risk requiring special audit consideration.</p>	<p>We will:</p> <ul style="list-style-type: none"> • gain an understanding of the accounting estimates, judgements applied and decisions made by management and consider their reasonableness • obtain a full listing of journal entries, identify and test unusual journal entries for appropriateness • evaluate the rationale for any changes in accounting policies 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 asset and liability as reflected in its balance sheet represent a significant estimate in the financial statements.</p> <p>We identified the valuation of the pension fund net liability as a risk requiring special audit consideration.</p>	<p>We will:</p> <ul style="list-style-type: none">Identify the controls put in place by management to ensure that the pension fund liability is not materially misstated. We will also assess whether these controls were implemented as expected and whether they are sufficient to mitigate the risk of material misstatement.Evaluate the competence, expertise and objectivity of the actuary who carried out your pension fund valuation. We will gain an understanding of the basis on which the valuation is carried out.Undertake procedures to confirm the reasonableness of the actuarial assumptions made.Check the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial report from your actuary.

Reasonably possible risks identified

Reasonably possible risks (RPRs) are, in the auditor's judgment, other risk areas which the auditor has identified as an area where the likelihood of material misstatement cannot be reduced to remote, without the need for gaining an understanding of the associated control environment, along with the performance of an appropriate level of substantive work. The risk of misstatement for an RPR is lower than that for a significant risk, and they are not considered to be areas that are highly judgmental, or unusual in relation to the day to day activities of the business.

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Employee remuneration	<p>Payroll expenditure represents a significant percentage (66%) of the Authority's operating expenses.</p> <p>As the payroll expenditure comes from a number of individual transactions and an interface with a sub-system there is a risk that payroll expenditure in the accounts could be understated. We therefore identified completeness of payroll expenses as a risk requiring particular audit attention.</p>	<p>We will</p> <ul style="list-style-type: none"> • evaluate the Authority's accounting policy for recognition of payroll expenditure for appropriateness; • gain an understanding of the Authority's system for accounting for payroll expenditure and evaluate the design of the associated controls; • obtain year-end payroll reconciliation and ensure amount in accounts can be reconciled to ledger and through to payroll reports. Investigate significant adjusting items; • agree payroll related accruals (e.g. unpaid leave accrual) to supporting documents and review any estimates for reasonableness.
Operating expenses	<p>Non-pay expenses on other goods and services also represents a significant percentage (22%) of the Authority's operating expenses. Management uses judgement to estimate accruals of un-invoiced costs.</p> <p>We identified completeness of non- pay expenses as a risk requiring particular audit attention.</p>	<p>We will</p> <ul style="list-style-type: none"> • evaluate the Authority's accounting policy for recognition of non-pay expenditure for appropriateness; • gain an understanding of the Authority's system for accounting for non-pay expenditure and evaluate the design of the associated controls; • document the accruals process and the controls management have put in place. Challenge any key underlying assumptions, the appropriateness of the source of data used and the basis for calculations; • obtain a listing from the bank statements of non-pay payments made in April, and ensure that they have been charged to the appropriate year.

Reasonably possible risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Firefighters pension scheme	<p>The Authority administers the firefighters pension schemes, with the Firefighters Pension Fund Account being included in the financial statements.</p> <p>We identified completeness and accuracy of pension benefits payable as a risk requiring particular audit attention.</p>	<p>We will</p> <ul style="list-style-type: none">• review and document the control environment for firefighters' pensions benefits payments and conduct walkthrough testing to ensure controls in place have been functioning effectively in the period.• test a sample of firefighters' pensions benefit payments for the period to ensure they have been accurately accounted for.• agree pension disclosures in the financial statements to supporting evidence.• complete substantive analytical procedures on the total pensions liability to ensure completeness of liability.

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 carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with the guidance issued and consistent with our knowledge of the Authority.
- We will read your Narrative Statement and check that it is consistent with the financial statements on which we give an opinion and that the disclosures included in it are in line with the requirements of the CIPFA Code of Practice.
- 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 the Act and the Code, as and when required, including:
 - giving electors the opportunity to raise questions about your 2017/18 financial statements, consider and decide upon any objections received in relation to the 2017/18 financial statements;
 - issue of a report in the public interest; and
 - making a written recommendation to the Authority, copied to the Secretary of State.
- 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.

Going concern

As auditors, we are required to "obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern" (ISA (UK) 570). We will review management's assessment of the going concern assumption and evaluate the disclosures in the financial statements.

Materiality

The concept of materiality

The concept of 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

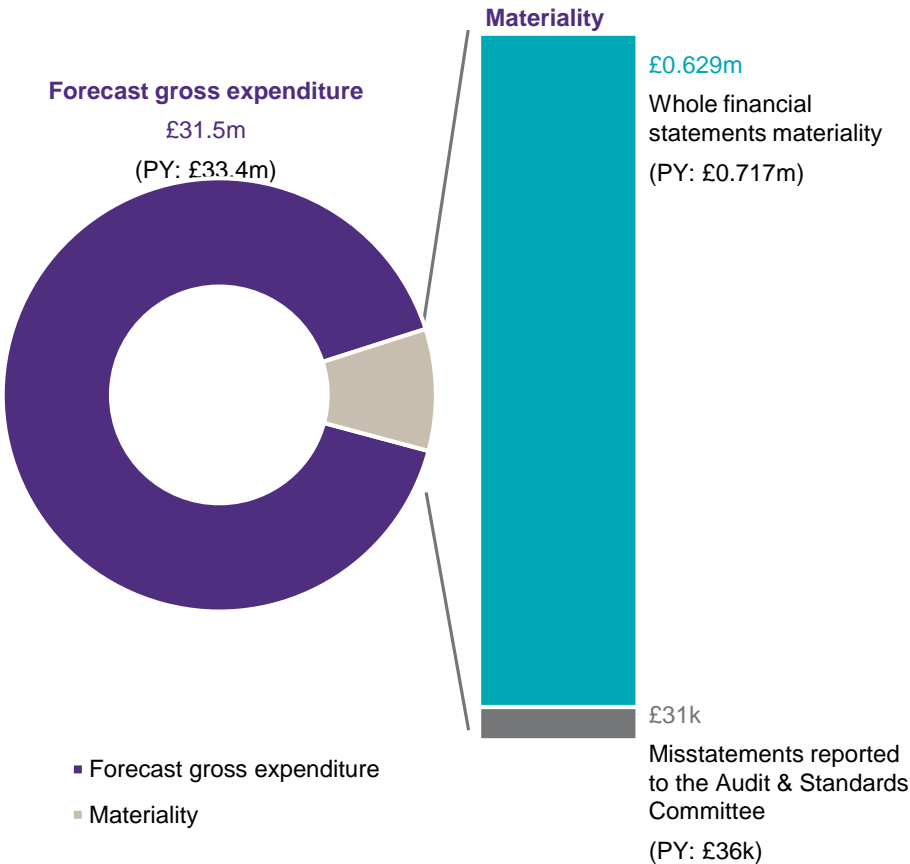
We propose to calculate financial statement materiality based on a proportion of the gross expenditure of the Authority for the financial year. In the prior year we used the same benchmark. We have determined planning materiality (the financial statements materiality determined at the planning stage of the audit) to be £0.629m (PY £0.717m), which equates to 2% of your forecast gross expenditure for the 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 senior manager’s remuneration. In view of the sensitivity of this note to the reader of the accounts, we have set a materiality level of £100k.

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 £31k (PY £36k).

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.



Results of Interim Audit Work

The findings of our interim audit work, and the impact of our findings on the accounts audit approach, are summarised in the table below:

	Work performed	Conclusions and recommendations
Internal audit	<p>We have completed a high level review of internal audit's overall arrangements. Our work has not identified any issues which we wish to bring to your attention.</p> <p>We have also reviewed internal audit's work on the Authority's key financial systems to date. We have not identified any significant weaknesses impacting on our responsibilities.</p>	<p>Overall, we have concluded that the internal audit service provides an independent and satisfactory service to the Authority and that internal audit work contributes to an effective internal control environment.</p> <p>Our review of internal audit work to date has not identified any weaknesses which impact on our audit approach.</p>
Entity level controls	<p>We have obtained an understanding of the overall control environment relevant to the preparation of the financial statements including:</p> <ul style="list-style-type: none">• Communication and enforcement of integrity and ethical values• Commitment to competence• Participation by those charged with governance• Management's philosophy and operating style• Organisational structure• Assignment of authority and responsibility• Human resource policies and practices	<p>Our work has identified no material weaknesses which are likely to adversely impact on the Authority's financial statements.</p>

	Work performed	Conclusions and recommendations
Review of information technology controls	Our information systems specialist performed a high level review of the general IT control environment, as part of the overall review of the internal controls system.	Our work has not identified any weaknesses which impact on our audit approach.
Walkthrough testing	<p>We have completed walkthrough tests of the Authority's controls operating in areas where we consider that there is a risk of material misstatement to the financial statements – employee remuneration, firefighters' pension fund and operating expenses.</p> <p>Our work has not identified any issues which we wish to bring to your attention. Internal controls have been implemented by the Authority in accordance with our documented understanding.</p>	Our work has not identified any weaknesses which impact on our audit approach.
Journal entry controls	We have reviewed the Authority's journal entry policies and procedures as part of determining our journal entry testing strategy and have not identified any material weaknesses which are likely to adversely impact on the Authority's control environment or financial statements.	Results of our detailed testing will be reported in our Audit Findings Report in July 2018.
Early substantive testing	<p>We have completed early testing in relation to:</p> <ul style="list-style-type: none"> • Employee Remuneration • Operating Expenses • Revenue 	We have not identified any issues to report in any of the other areas where we have undertaken early substantive testing.

Value for Money arrangements

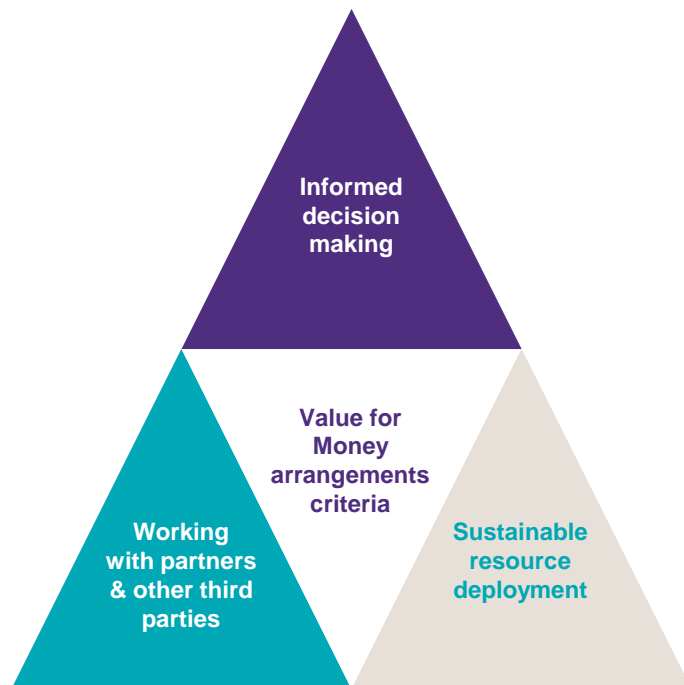
Background to our VFM approach

The NAO issued its guidance for auditors on Value for Money work for 2017/18 in November 2017. The guidance states that for local government bodies, auditors are required to give a conclusion on whether the Authority has proper arrangements in place.

The guidance identifies one single criterion for auditors to evaluate:

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

This is supported by three sub-criteria, as set out below:



Significant VFM risks

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



Medium Term Financial Plan (MTFP)

The latest Medium Term Financial Plan (MTFP) was approved in February. This reported that, with use of reserves totalling £4.5m, there is a balanced budget to 2021/22. Indicative projections for 2022/23 and 2023/24 show deficits of £697k and £616k respectively..

As a consequence it is estimated that the Authority will need to identify further on-going annual savings of around £700k by 2022/23 .

We will:

- a) examine the savings plans and efficiencies in the MTFP which have been identified to achieve the forecasts;
- b) update our understanding of the main schemes to ensure they remain robust and realistic;
- c) look at the plans to address the longer term shortfall to ensure plans to return to a recurrent break even position from 2022/23 onwards are realistic.

Audit logistics, team & audit fees



Phil Jones, Engagement Lead

Phil's role will be to:

- lead our relationship with you;
- be a key contact for the Chief Fire Officer, the Director of Finance & Assets (Treasurer) and the Audit & Standards Committee;
- ensure that Grant Thornton's full service offering is at your disposal; 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.



Allison Thomas, Audit Incharge

Allison'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;
- have day to day responsibility for the running of the audit and first point of contact;
- 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.

Audit fees

The planned audit fees are no less than £32,872 (PY: £32,872) for the financial statements audit. In setting your fee, we have assumed that the scope of the audit, and the Authority and its activities, do not significantly change.

Our requirements

To ensure the audit is delivered on time and to avoid any additional fees, we have detailed our expectations and requirements in the following section 'Early Close'. If the requirements detailed overleaf are not met, we reserve the right to postpone our audit visit and charge fees to reimburse us for any additional costs incurred.

Early close

Meeting the early close timeframe

Bringing forward the statutory date for publication of audited local government accounts to 31 July this year, across the whole sector, is a significant challenge for local authorities and auditors alike. For authorities, the time available to prepare the accounts is curtailed, while, as auditors we have a shorter period to complete our work and face an even more significant peak in our workload than previously.

We have carefully planned how we can make the best use of the resources available to us during the final accounts period. As well as increasing the overall level of resources available to deliver audits, we have focused on:

- bringing forward as much work as possible to interim audits
- starting work on final accounts audits as early as possible, by agreeing which authorities will have accounts prepared significantly before the end of May
- seeking further efficiencies in the way we carry out our audits
- working with you to agree detailed plans to make the audits run smoothly, including early agreement of audit dates, working paper and data requirements and early discussions on potentially contentious items.

We are satisfied that, if all these plans are implemented, we will be able to complete your audit and those of our other local government clients in sufficient time to meet the earlier deadline.

Client responsibilities

Where individual clients 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 clients. We will therefore conduct audits in line with the timetable set out in audit plans (as detailed on page 12). 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 by the statutory deadline. Such audits are unlikely to be re-started until very close to, or after the statutory deadline. In addition, it is highly likely that these audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit or additional audit fees being incurred, you need to ensure that you:

- produce draft financial statements of good quality by the deadline 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
- 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.

In return, we will ensure that:

- the audit runs smoothly with the minimum disruption to your staff
- you are kept informed of progress through the use of an issues tracker and weekly meetings during the audit
- we are available to discuss issues with you prior to and during your preparation of the financial statements.

Independence & 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 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 December 2016 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

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.

Non-audit services

No non-audit services were identified.

Service	Fees £	Threats	Safeguards
Audit related			
None			
Non-audit related			
None			

Any changes and full details of all fees charged for audit related and non-audit related services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Audit Findings report at the conclusion of the audit.

Appendices

A. Revised ISAs

Appendix A: Revised ISAs

Detailed below is a summary of the key changes impacting the auditor's report for audits of financial statement for periods commencing on or after 17 June 2016.

Section of the auditor's report	Description of the requirements
Conclusions relating to going concern	We will be required to conclude and report whether: <ul style="list-style-type: none">• The directors use of the going concern basis of accounting is appropriate• The directors have disclosed identified material uncertainties that may cast significant doubt about the Authority's ability to continue as a going concern.
Material uncertainty related to going	We will need to include a brief description of the events or conditions identified that may cast significant doubt on the Authority's ability to continue as a going concern when a material uncertainty has been identified and adequately disclosed in the financial statements. Going concern material uncertainties are no longer reported in an Emphasis of Matter section in our audit report.
Other information	We will be required to include a section on other information which includes: <ul style="list-style-type: none">• Responsibilities of management and auditors regarding other information• A statement that the opinion on the financial statements does not cover the other information unless required by law or regulation• Reporting inconsistencies or misstatements where identified
Additional responsibilities for directors and the auditor	We will be required to include the respective responsibilities for directors and us, as auditors, regarding going concern.
Format of the report	The opinion section appears first followed by the basis of opinion section.

Report of the Treasurer

Informing the Audit Risk Assessment 2017/18 Accounts

Purpose of report

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 2018/19 in respect of the 2017/18 Accounts.

Recommendation

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

Introduction and Background

1. In setting out the Audit Plan, Grant Thornton takes a risk-based approach to audit planning.
2. Appendix 1 contains details of the identified risks, both specific and generic, and management responses.

Conclusion/Summary

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

Corporate Considerations

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

Supporting Information

Appendix 1 – Informing the Audit Risk Assessment

Contact Officer

Martin Reohorn, Treasurer

Tel: 01905 368205 Email: mreohorn@hwfire.org.uk

Informing the audit risk assessment for Hereford and Worcester Fire Authority

Year ended

31 March 2018

Phil Jones

Director

T 0121 232 5232

E phil.w.jones@uk.gt.com

Neil Preece

Audit Manager

T 0121 232 5292

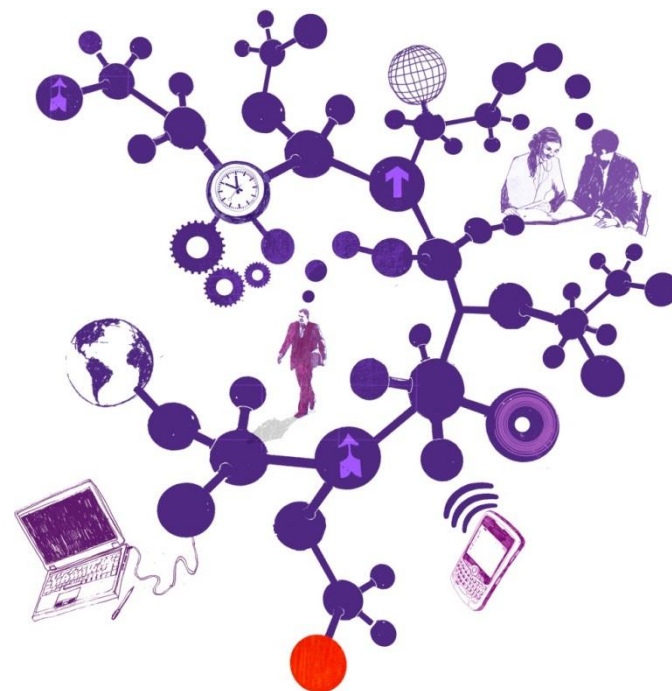
E neil.a.preece@uk.gt.com

Allison Thomas

In-Charge Auditor

T 0121 232 5278

E allison.a.thomas1@uk.gt.com



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

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Purpose

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

Background

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

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

Communication

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

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

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

Fraud

Issue
<p>Matters in relation to fraud</p> <p>ISA(UK&I)240 covers auditors responsibilities relating to fraud in an audit of financial statements.</p> <p>The primary responsibility to prevent and detect fraud rests with both the Audit and Standards Committee and management. Management, with the oversight of the Audit and Standards Committee, needs to ensure a strong emphasis on fraud prevention and deterrence and encourage a culture of honest and ethical behaviour. As part of its oversight, the Audit and Standards Committee should consider the potential for override of controls and inappropriate influence over the financial reporting process.</p> <p>As the Authority's external auditor, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.</p> <p>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:</p> <ul style="list-style-type: none">• assessment that the financial statements could be materially misstated due to fraud• process for identifying and responding to risks of fraud, including any identified specific risks• communication with the Audit and Standards Committee regarding its processes for identifying and responding to risks of fraud• communication to employees regarding business practices and ethical behaviour. <p>We need to understand how the Audit and Standards Committee oversees the above processes. We are also required to make inquiries of both management and the Audit and Standards Committee as to their knowledge of any actual, suspected or alleged fraud. These areas have been set out in the fraud risk assessment questions below together with responses from the Authority's management.</p>

Fraud risk assessment

Question	Management response
Has the Authority assessed the risk of material misstatement in the financial statements due to fraud or error?	Yes –
What are the results of this process?	<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>
What processes does the Authority have in place to identify and respond to risks of fraud?	Notice is taken in reference to regular National Bulletins from government and professional bodies notifying cases of specific issues. The National Fraud Initiative (NFI) is fully reviewed and no matches have been found in the last 8 years. The Authority has access to Internal Audit in any case of suspected fraud. If there is any previous level of fraud experience it will influence the direction of assessments undertaken.
Have any specific fraud risks, or areas with a high risk of fraud, been identified and what has been done to mitigate these risks?	None.
Are internal controls, including segregation of duties, in place and operating effectively?	Yes
If not, where are the risk areas and what mitigating actions have been taken?	N/A.

Fraud risk assessment (continued)

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

Fraud risk assessment (continued)

Question	Management response
How does the Authority communicate and encourage ethical behaviour of its staff and contractors?	Anti-Money Laundering, Anti-Fraud and Corruption, Ethical Framework and Code of Conduct, and Confidential Reporting (Whistleblowing) Policies information are on the staff intranet. These policies are always current, but it is practice to bring them to the attention of staff on an annual basis. As part of the induction process both members and officers are given documentation of a code of conduct setting out key views and instructions on aspects of the business function; this is supported by training at budget-holders meetings and ethical behaviour instruction where appropriate, plus the distribution of relevant leaflets which are subject specific.
How do you encourage staff to report their concerns about fraud? Have any significant issues been reported ?	Confidential Reporting (Whistleblowing) Policy.
Are you aware of any related party relationships or transactions that could give rise to risks of fraud ?	No – the nature of the transactions with related parties do not tend to lend themselves to risk.
Are you aware of any instances of actual, suspected or alleged fraud, either within the Authority as a whole or within specific departments since 1 April 2017?	No – Not aware of any instances.
Are you aware of any whistleblower reports or reports under the Bribery Act since 1 April 2017? If so, how has the Audit and Standards Committee responded to these ?	No – Not aware of any instances.

Laws and regulations

Issue
<p>Matters in relation to laws and regulations</p> <p>ISA(UK&I)250 requires us to consider the impact of laws and regulations in an audit of the financial statements.</p> <p>Management, with the oversight of the Audit and Standards Committee, is responsible for ensuring that the Authority's operations are conducted in accordance with laws and regulations including those that determine amounts in the financial statements.</p> <p>As auditor, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. As part of our risk assessment procedures we are required to make inquiries of management and the Audit and Standards Committee as to whether the entity is in compliance with laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance we need to gain an understanding of the non-compliance and the possible effect on the financial statements.</p> <p>Risk assessment questions have been set out below together with responses from management.</p>

Impact of laws and regulations

Question	Management response
What arrangements does the Authority have in place to prevent and detect non-compliance with laws and regulations ?	<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 (continued)

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

Impact of laws and regulations (continued)

Question	Management response
How is the Audit and Standards Committee provided with assurance that all relevant laws and regulations have been complied with ?	<p>The Monitoring Officer and Treasurer provide advice to the Audit and Standards Committee on compliance with relevant laws and regulations.</p> <p>The Committee is responsible for the approval of the Annual Governance Statement and the review of the related assurances which set out the system of internal control and detail the policies and procedures in place. This provides the Committee with assurance that management arrangements are in place for identifying and responding to changes in law and regulations and highlights any significant governance issues arising as a result of such changes.</p> <p>Internal Auditors' reports to the Audit and Standards Committee incorporate issues relating to compliance with legislation and regulations, where appropriate.</p>
Have there been any instances of non-compliance or suspected non-compliance with laws and regulations since 1 April 2017, or earlier with an on-going impact on the Authority's 2017/18 financial statements ?	No.

Impact of laws and regulations (continued)

Question	Management response
What arrangements does the Authority have in place to identify, evaluate and account for litigation or claims ?	<p>The Strategic Risk Register sets out risk priorities, which would include any potential for litigation or claims and subsequent actions needed to be taken by management.</p> <p>The Authority also has arrangements in place such as the Service Complaints Policy, Grievance Policy and Whistleblowing Policy that can identify potential litigation or claims.</p> <p>The Authority has delegated the Clerk (Monitoring Officer) to decide the action to be taken in respect of legal proceedings and other matters involving the Authority. The Authority has arrangements in place for insurance to protect against costs associated with litigation and claims.</p> <p>The Treasurer has responsibility to account for litigation or claims in the annual accounts that are considered by Audit and Standards Committee and subject to external audit.</p>
Is there any actual or potential litigation or claims that would affect the financial statements ?	No
Have there been any reports from other regulatory bodies, such as HM Revenues and Customs which indicate non-compliance ?	No

Going Concern

Issue

Matters in relation to going concern

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

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

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

Going concern considerations

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

Going concern considerations (continued)

Question	Management response
<p>Does a review of available financial information identify any adverse financial indicators including negative cash flow ?</p> <p>If so, what action is being taken to improve financial performance ?</p>	<p>The Authority has approved a balanced budget through to the end of 20/21 – although this involves the use of reserves, there are robust, deliverable plans in development to close the residual gap in 21/22 – 4 years hence.</p> <p>It is also important to note that in its guidance on Efficiency Plans the Home Office regards use of balances to support services as an “efficiency.”</p>
<p>Does the Authority have sufficient staff in post, with the appropriate skills and experience, particularly at senior manager level, to ensure the delivery of the Authority’s objectives ?</p> <p>If not, what action is being taken to obtain those skills ?</p>	<p>Yes.</p>

Related Parties

Issues

Matters in relation to Related Parties

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

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

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

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

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

Accounting estimates

Issue

Matters in relation to accounting estimates

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

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

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

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

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

Question	Management response
Are the management arrangements for the accounting estimates, as detailed in Appendix A reasonable ?	Yes.
How is the Audit and Standards Committee provided with assurance that the arrangements for accounting estimates are adequate ?	By sight of the assumption methodologies before accounts are prepared.

Appendix A Accounting Estimates

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Property valuations	Property valuations are made by the external valuer from Place Partnership Limited.	Valuer notified of changes to the estate from the prior year.	Use the external valuer (RICS qualified) from Place Partnership Limited.	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 Place Partnership Limited.	The useful lives of property are recorded in accordance with the recommendations of the external RICS qualified valuer.	No
Depreciation	Depreciation is provided for on property plant and equipment with a finite useful life on a straight-line basis.	Consistent application of depreciation method across assets.	No	The length of the life is determined at the point of acquisition or revaluation.	No

Appendix A Accounting Estimates (Continued)

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

Appendix A Accounting Estimates (Continued)

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

Appendix A Accounting Estimates (Continued)

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



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Hereford & Worcester Fire Authority

Audit and Standards Committee

25th April 2018

Report of the Head of Internal Audit Shared Service

Internal Audit Monitoring Report 2017/18

Purpose of report

To provide the Committee with a progress update on the 2017/18 audit plan delivery.

Recommendation

The Treasurer recommends that the report is noted.

Introduction and Background

1. 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 2015. This includes considering, where appropriate, the need for controls to prevent and detect fraudulent activity. These should also be reviewed to ensure that they are effective. This duty has been delegated to the Treasurer and Internal Audit is provided by Worcestershire Internal Audit Shared Service (WIASS). Management is responsible for the system of internal control and should set in place policies and procedures to ensure that the system is functioning correctly.

Objectives of Internal Audit

2. The Public Sector Internal Audit Standards 2013 defines internal audit as: “an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”. WIASS is committed to conforming to the requirements of the Public Sector Internal Audit Standards.

Aims of Internal Audit

3. 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.
4. Internal audit has worked with external audit to try and avoid duplication of effort, provide adequate coverage for the 2017/18 financial year so that an internal audit opinion can be reached and support External Audit by carrying out reviews in support of the accounts opinion work.

Audit Planning

5. To provide audit coverage for 2017/18, an audit operational programme to be delivered by WIASS was discussed and agreed with the Authority's Section 151 Officer and Treasurer as well as Senior Management Board and was brought before Committee on 12th April 2017 for consideration. The audit programme provides a total audit provision of 111 audit days; 95 operational and 16 management days.

Audit Delivery

6. 2017/18 audits commenced after the Committee had agreed the 2017/18 plan at the 12th April 2017 Committee (Appendix 1).
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).

2017/18 Audits:

8. The summary results of these audits are included below. Where recommendations have been made, these are being addressed through management actions.
9. Main Ledger.

As assurance has been gained over the system from previous year's full system reviews (2016/17 giving full assurance) and no major changes have occurred in the officers undertaking the process or in the system being used to record the transactions. This review was undertaken on a random testing only basis to ensure that controls are still being implemented in line with policies and procedures agreed.

As testing has not highlighted any areas of concern that need reporting assurance can be gained that in the areas covered controls are being operated as required in order to minimise the risk to the Service.

There were no recommendations reported based on random testing.

Audit Type: Limited Scope
Follow Up Report Date: 16th January 2018

10. Creditors.

The review found the following areas of the system were working well:

- Goods and services are correctly authorised and there is appropriate segregation of duties between the requisition and authorisation of good and services
- Authorisation levels and appropriate separation of duties exist and are being adhered to
- Invoices are recorded correctly and accurately in the main ledger
- There is regular monitoring of invoices which ensures that late payments are kept to a minimum
- There are effective controls and a clear segregation of duties for BACS payments

There were no recommendations reported.

Audit Type: Full System Audit
Follow Up Report Date: 16th January 2018
Assurance: Full

11. Debtors

As assurance has been gained over the system from previous year's full system reviews (2016/17 giving full assurance) and no major changes have occurred in the officers undertaking the process or in the system being used to record the transactions this review was undertaken on a random testing only basis to ensure that controls are still being implemented in line with policies and procedures agreed.

As testing has not highlighted any areas of concern that need reporting assurance can be gained that in the areas covered controls are being operated as required in order to minimise the risk to the Service.

There were no recommendations reported based on random testing.

Audit Type: Limited Scope
Follow Up Report Date: 16th January 2018

12. Capital Programme - Fleet

The review found the following areas of the system were working well:

- The fleet strategy capital replacement programme has been recently reviewed and updated, identifying the requirements of the service over a number of years.
- The ongoing management and maintenance of exiting vehicles.
- Arrangements for purchasing and disposing of vehicles in order to achieve best value.
- Site security arrangements at the depot sites, which have recently been reviewed in accordance with Home Office requirements for emergency services.

The review found the following areas of the system where controls could be strengthened:

- The maintenance of vehicle records on the electronic TranMan system.
- Maintaining inspection records of national resilience vehicles that are maintained through a national framework by another authority.
- Maintaining a suitable retention schedule for all types of records, to ensure information is not held longer than it should be.
- The Fleet Service Policy Instruction requires updating to ensure relevance with current working arrangements, including changes with acquisition & disposal practices.

There were four 'medium' priority recommendations reported.

Audit Type:	Full System Audit
Follow Up Report Date:	16 th January 2018
Assurance:	Moderate

13. Procurement

The review found the following areas working well:

- Senior Management support and commitment to the Governance and policies/procedures being operated in relation to Procurement.
- Transparency
- Contracts register available to view by the public
- Procurement rational available to view by the public for items where there is likely to be internal or external challenge e.g. High Value items and by officers internally on the sharepoint.
- Advertising of contracts - Contracts Finder and Bluelight
- Etendering via the Bluelight system
- Clearly documented processes

- Tracking and monitoring of the stages of the procurement exercises being undertaken
- Supporting documentation held in a centralised area
- Use of National Frameworks and collaborative working
- Initial awareness training for officers involved in the Procurement Process

There are still areas to be addressed that the Service is aware of:

- Review of the overarching policies e.g. standing orders
- Specific training in relation to procurement e.g. writing of specifications and scoring matrices
- Induction training for officers new to the service
- Embedding of policies and procedures
- Capturing information in relation to savings made
- Contracting of lower value items where the contract has expired
- Forward scanning of the Procurement landscape especially in relation to technology

There are areas of the system where controls could be strengthened:

- Resilience
- Documented action plan

There were two medium priority recommendations reported.

Audit Type:	Full System Audit
Follow Up Report Date:	28 th February 2018
Assurance:	Moderate

14. Reviews currently at draft report or clearance stage include:
 - Partnership Working - at draft report stage
 - Payroll - at draft report stage
15. Other reviews progressing through the fieldwork stage at the time of reporting included:
 - ICT

The outcome to the reviews listed above will be reported to Committee in summary form as soon as they are completed.

16. 'Follow up' is continuing in regard to previously completed audits to provide assurance that recommendations have been implemented and any risk mitigated e.g. fees and charges, Care Scheme 2015. Where there is a programmed annual visit to an area the 'follow up' is included as part of the audit review e.g.

financials. Both of the reviews indicated above have had the recommendations fully implemented and no further follow up is required. There are no exceptions to report in regards to 'follow up' findings.

Conclusion/Summary

17. The Internal Audit Plan for 2017/18 is almost completed with two reviews remaining at draft report and one at fieldwork stage. Recommendations that have been made are being addressed through robust management action plans.

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)	N/A

not?)	
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Supporting Information

Appendix 1 – 2017/18 Audit Plan summary.

Appendix 2 - 'High' priority recommendations for completed audits.

Appendix 3 – 'Assurance' and 'priority' definitions.

Contact Officer

Andy Bromage

Head of Internal Audit Shared Service - Worcestershire Internal Audit Shared Service

(01905 722051)

andy.bromage@worcester.gov.uk

APPENDIX 1

INTERNAL AUDIT PLAN FOR THE FIRE & RESCUE SERVICE 2017/18 WORCESTERSHIRE INTERNAL AUDIT SHARED SERVICE

Audit Area	Proposed Review	Planned days 2017/18	Provisional Audit Quarter / Progress
Accountancy & Finance Systems			
Main Ledger (incl. Budgetary Control & Bank Rec)	Limited Scope	5	Completed 16/01/2018
Creditors	Full	8	Completed 16/01/2018
Debtors	Limited Scope	4	Completed 16/01/2018
Payroll & Pensions (incl. GARTAN)	Full	13	Draft Report Stage
Capital Programme (Fleet)	Full	8	Completed 16/01/2018
SUB TOTAL		38	
Corporate Governance (incl Health & Safety arrangements)			
Corporate Governance (Business continuity, resilience & emergency planning)	Full	9	Completed 16/08/2017
ICT Audit	Full	8	Ongoing
Risk Management	Limited Scope	5	Completed 14/06/2017
System / Management Arrangements			
Partnership Working (Governance Arrangements)	Full	6	Draft Report Stage
Training (Baseline & Core skill delivery)	Full	8	Completed 02/11/2017
Transformational Planning	Critical Friend	9	Completed 22/09/2017
Procurement /Contracts	Full	8	Completed 28/02/2018
SUB TOTAL		53	
General			
Follow up Reviews		7	Q1 to Q4 inclusive
Advice, Guidance, Consultation, Investigations		3	Q1 to Q4 inclusive
Audit Cttee Support		5	Q1 to Q4 inclusive
Reports & Meetings		5	Q1 to Q4 inclusive
SUB TOTAL		20	
TOTAL CHARGEABLE		111	

Appendix 2

'High' Priority Recommendations reported (2017/18 Reviews)

There were no 'high' priority recommendations to report from those reviews completed since the last Committee that could potentially lead to increased risk for the Fire and Rescue Service.

Appendix 3

Definition of Priority of Recommendations

Priority	Definition
High	<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>
Medium	<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>
Low	<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>

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>

Report of the Head of Internal Audit Shared Service

Internal Audit Draft Audit Plan 2018/19

Purpose of report

1. To provide the Committee with the Draft Audit Plan for 2018/19.
-

Recommendation

The Treasurer recommends that the 2018/19 Draft Internal Audit Plan is approved.

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 2015. 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) in which Hereford and Worcester Fire and Rescue Authority is a Partner. Management is responsible for the system of internal control and should set in place policies and procedures to ensure that the system is functioning correctly.

Objectives of Internal Audit

3. The 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 to 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”. WIASS is committed to satisfying/achieving the requirement of the CIPFA Code of Practice for Internal Audit and conforms to the Public Sector Internal Audit Standards.

Aims of Internal Audit

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

- Examine, evaluate and report on arrangements to ensure compliance with legislation and the Fire Service's objectives, policies and procedures;
 - Examine, evaluate and report on procedures that the Fire Service's assets and interests are adequately protected and effectively managed;
 - Undertake independent investigations into allegations of fraud and irregularity in accordance with Fire Service's policies and procedures and relevant legislation; and,
 - Advise upon the control and risk implications of new systems or other organisational changes.
5. Internal audit will work with external audit to avoid duplication of effort, provide adequate coverage for the 2018/19 financial year so that an internal audit opinion can be reached, and, support External Audit by carrying out reviews in support of the accounts opinion work.

Audit Planning

6. To provide audit coverage for 2018/19 an audit operational programme to be delivered by WIASS was discussed and agreed with the Treasurer and the Senior Management Board and will be provided to External Audit. The audit programme provides a total audit provision of 111 audit days; 100 operational and 11 management days. As the audits and follow up reviews are completed summary update reports will be brought before Committee along with an extract of the 'high' priority recommendations. Full reports will be provided to the Chairperson of the Committee for perusal on request.
7. WIASS operates an Internal Audit Charter which sets out the standards to which it operates for this Authority. The Internal Audit Plan for 2018/19, which is included at Appendix 1, is a risk based plan which takes into account the adequacy of the Authority's risk management, performance management, challenges, other assurance processes as well as organisational strategic objectives and priorities. It has been based upon the risk priorities per the strategic risk register and emerging risks identified by the Senior Management Board. Large spend budget areas have also been considered, and, direct association has been made to the Community Risk Management Plan 2014 - 2020. The Internal Audit Plan for 2018/19 has been agreed with the section 151 officer and has been considered by Senior Management Board on the 27th March 2018. It has been formulated with the aim to ensure Hereford and Worcester Fire and Rescue Service meets its strategic purposes and delivers the Community Risk Management Plan and has directly linked the various aspects to identify the 'golden thread' in regards to the Plan and risk identification to Service delivery. It is brought before the Audit and Standards Committee in draft format as the involvement of the Committee is considered to be an important facet of good corporate governance, contributing to the internal control assurance given in the Annual Governance Statement.
8. The Internal Audit Plan for 2018/19 has been based upon a resource allocation of 111 productive audit delivery days, a resource allocation which has been agreed with the

Authority's Treasurer and section 151 Officer. A detailed plan provision has been included within the Internal Audit Plan for 2018/19 at Appendix 1. Those areas that are considered to have a 'high' priority will be targeted first in regard to the plan delivery. Other areas which are identified as 'medium' priority have been considered. An assessment has been made whether to include in the plan based on the overall risk and governance profile. A watching brief will be kept on the financial systems but they are not considered as the key risk areas due to embedded process, control and anti fraud measures. Operational support days are included to give a little flexibility and contingency in the plan e.g. consultancy. They are also necessary to support the delivery of the plan as a whole.

9. Due to the continuing changing environment the plan must be seen as a framework for Internal Audit work for the forthcoming year. There is a need for improved flexibility in the plan due to a changing risk profile and emerging risks. To ensure flexibility there is the possibility that the plan will be updated during the year in order to address such challenges and to complement national initiatives.
10. We recognise there are other review functions providing other sources of assurance, both internally and externally, (e.g. ICT Public Service Network assurance testing) over aspects of the Authority's operations. Where possible we will seek to place reliance on such work thus reducing the internal audit coverage as required.
11. To try to reduce duplication of effort we understand the importance of working with the External Auditors. The audit plan is shared with the external auditors for information.
12. Appendix 1 provides the Committee with a breakdown of the draft 2018/19 internal audit plan.
13. Appendix 2 provides the Committee with an over view and comparison of the audits delivered over the past 6 ½ years.

Conclusion/Summary

14. Operational progress against the Internal Audit Plan for 2018/19 will be closely monitored by the Head of Internal Audit Shared Service and will be reported to the Audit Committee on a quarterly basis. For information, any 'high' priority recommendations will also be included.

Corporate Considerations:

Resource Implications (identify any financial, legal, property or human resources issues)	There are financial implications that require consideration as the Authority is a partner in the Internal Audit Shared Service however these are not fully detailed in this report as the Treasurer is appraised of the position on a regular basis during the Partner Board meetings.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	None. There are legal issues e.g. Collaborative Agreement that require consideration but are not fully detailed in this report as they are contained within the Agreement.
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 - 2018/19 Draft Internal Audit Plan

Appendix 2 - Summary of audit coverage

Contact Officer

Contact Officer

Name: Andy Bromage
Head of Internal Audit Shared Service - Worcestershire Internal Audit Shared Service
Tel: 01905 722051
E Mail: andy.bromage@worcester.gov.uk

APPENDIX 1

FIRE & RESCUE SERVICE WORCESTERSHIRE INTERNAL AUDIT SHARED SERVICE INTERNAL AUDIT PLAN FOR FIRE & RESCUE SERVICE 2018/19

Detailed Provisional Programme of Work for 2018/19

Audit Area	Source	Planned days 2018/19		Service	Comment	Strategy link	Priority
Accountancy & Finance Systems							
Main Ledger (inc Budgetary Control & Bank Rec)	Fundamental to HWFRS CRMP delivery	5		Finance	Light touch based on previous years & external audit comment	Resourcing for the Future	Medium / Q3
Creditors	Fundamental to HWFRS CRMP delivery	6		Finance	Very light touch based on previous years & external audit comment	Resourcing for the Future	Medium / Q3
Debtors	Fundamental to HWFRS CRMP delivery	4		Finance	Very light touch based on previous years & external audit comment	Resourcing for the Future	Medium / Q3
Payroll & Pensions incl. GARTAN	Fundamental to HWFRS CRMP delivery	18		Service Support	New system risk -2x tranches of 9 days: 1) data integrity assurance 2) Payroll audit. Pension transition.	Resourcing for the Future	High / Q2 & Q3
		5					
SUB TOTAL		38					
Corporate (incl. Health & Safety arrangements)							
Key Performance Indicators	Fundamental to HWFRS CRMP delivery	9		Service Support	Underpins everything HWFRS report on	Fire & Rescue Authority	High / Q1

Audit Area	Source	Planned days 2018/19		Service	Comment	Strategy link	Priority
RDS	Fundamental to HWFRS CRMP delivery	10		Service Delivery	Underpins everything HWFRS do	Services	Medium / Q2
System / Management Arrangements							
Fleet Maintenance	CRMP & FA Statement of Assurance 17/18	10		Service Delivery	Links to and underpins some of the promises made in the CRMP 2014-2020	Fleet & Equipment	Medium / Q4
GDPR Application	Statutory requirement	9		All	Underpins everything HWFRS do	Fire & Rescue Authority	High / Q1
USAR and Technical Rescue	CRMP & FA Statement of Assurance 17/18	12		Service Delivery	Links to and underpins some of the promises made in the CRMP 2014-2020	Services	Medium / Q2
SUB TOTAL		50					
General							
Follow up Reviews	Good Governance	7		All			
Advice, Guidance, Consultation, Investigations	n/a	5			Pull down budget		
Audit Cttee Support	n/a	5					
Reports & Meetings	n/a	6					
SUB TOTAL		23					
TOTAL CHARGEABLE		111					

Summary of audit coverage since 2011/12:

Audit Review	Year Undertaken							
	Handover year from County	Contractual delivery to H&WFRS by WIASS				WIASS Partnership Delivery		
Payroll & Pensions	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Debtors	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Creditors	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Petty Cash Imprest / Floats		2012/13			2015/16			
Main Ledger incl. Budgets & Budgetary Control	2011/12 (Not Main Ledger)	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Property & Asset Management		2012/13				2016/17 (Client Side)		
Capital Programme			2013/14				2017/18	
Follow up	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Risk Management Arrangements		2012/13	2013/14	2014/15	2015/16		2017/18	2018/19
Business Continuity		2012/13					2017/18	
Corporate Management (different areas each year)		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19 (GDPR & KPIs)
Procurement / Contracts		2012/13					2017/18	
Members Allowances (incl. in Payroll)		2012/13						
Computer Audit		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	(2019/20)
Community Safety			2013/14					2018/19
Urban Search and Rescue			2013/14					2018/19
Operational Logistics incl. Fleet			2013/14				2017/18	2018/19
Stores					2015/16			
Transformational Planning (20/20 Plan)				2014/15			2017/18	
Building Maintenance				2014/15				
Equality and Diversity				2014/15				(2019/20)
Operations				2014/15				
Human Resources					2015/16			
Training Centre (Droitwich)						2016/17	2017/18	
Technical Fire Safety						2016/17		

Fees and Charges						2016/17		
VAT						2016/17		
Safeguarding						2016/17		
Partnership Working							2017/18	

Report of the Head of Legal Services

Draft Annual Governance Statement 2017/18

Purpose of report

1. To consider evidence compiled during the self assessment review which provides the assurances that sit behind the Annual Governance Statement .
 2. To put forward the Draft Annual Governance Statement 2017/18 for approval.
-

Recommendations

It is recommended that the Draft Annual Governance Statement 2017/18 be approved.

Introduction and Background

3. Governance is about how the Authority ensures that it is doing the right thing, in the right way for the right people in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, cultures and values, by which the Authority is directed and controlled and through which it accounts to and engages with its communities.
4. The Accounts and Audit (England) Regulations 2015 require that the Fire Authority reviews its arrangements for governance and systems of internal control at least on an annual basis. To meet this requirement, the operation of the Authority's governance arrangements is subject to an annual self assessment against the CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives) framework.
5. The annual self assessment review sets out the evidence of how the Authority has performed against the CIPFA/SOLACE framework and identifies any actions that are needed for the forthcoming year. Following the review the Authority is required to develop an annual governance statement which must be published alongside the unaudited statement of accounts at the beginning of the period for public inspection, which commences in early June.

Annual Governance Statement

6. The Annual Governance Statement is essentially a summary of the governance arrangements of which Members are familiar. It reports publicly on the extent to which the Authority's governance arrangements have met the values, principles and best practice, as set out in the Authority's Code of Corporate Governance.

Likewise, should the Authority have any significant governance weaknesses these will also be disclosed publicly within the Annual Governance Statement.

7. The Annual Governance Statement is a backward looking document up to the date of the approval of the Statement of Accounts i.e. 25th July 2018. The draft Annual Governance Statement is attached at Appendix 1.
8. It includes how the Authority has monitored the effectiveness of its governance arrangements, setting out any planned changes for the current period and sets out to:
 - identify the Authority's obligations and objectives;
 - identify tasks to achieve those objectives;
 - establish controls to manage risks; and
 - ensure the controls are working effectively.
9. The Annual Governance Statement will be audited by the External Auditors who will examine it as part of their work on the financial statements and the Value for Money Conclusion, which are included in the External Audit Findings 2017/18 to be reported to the Committee in July 2018.
10. In addition to the Annual Governance Statement, the Authority is required to publish an Annual Statement of Assurance, as required by the revised Fire and Rescue National Framework that was published by Government in July 2012. The Annual Statement of Assurance will be reported to the Committee later in the year.

Self- Assessment

11. The self assessment uses the CIPFA/SOLACE Framework published in 2016. The framework sets out 91 behaviours and actions against which the Authority must demonstrate good governance in practice. Officers have assessed existing arrangements and documents against the new requirements and the status of how the Authority complies with each requirement is included.
12. The evidence compiled during the self assessment review forms the assurances that sit behind the Annual Governance Statement (attached at Appendix 2). The self assessment review document incorporates progress on the actions identified for 2017/18, which were as follows:
 - an induction for new Members following elections;
 - gender pay gap information to be published – this was a requirement due to the the new Equality Act 2010 (Gender Pay Gap Information) Regulations 2017;
 - Standing Orders for Regulation of Contracts to be reviewed; and
 - Financial Regulations to be reviewed.
13. All actions have been completed, with the exception of the review of Financial Regulations which could not be undertaken until completion of the Standing Orders for Regulation of Contracts. This review has been incorporated as an

action for 2018/19. In addition, work has been undertaken during 2017/18 to prepare for the forthcoming inspection by HMICFRS, due in the summer of 2018.

14. Members will note from the self-assessment that the Authority has provided evidence of compliance with all the core and supporting principles of good governance. There are no areas where immediate action is required. However, there is one area which indicates the Authority complies with the requirements but some minor actions are necessary. This is due to the delay in the review of the Financial Regulations, as referred to above.
15. Members will also note that there is one area (shown within Core Principles A and F) where the direction of travel improved during 2017/18. This is due to the completion of the Review of the Standing Orders for Regulation of Contracts, which the Committee will be asked to consider elsewhere on this agenda.
16. Further assurances are included at Appendix 3. These assurances relate to the expanded requirements from the Chief Financial Officer Statement as reflected in the local Code of Corporate Governance.

Conclusion/Summary

17. The Annual Governance Statement reports publicly on the extent to which the Authority's governance arrangements have met the values, principles and best practice, as set out in the Authority's Code of Corporate Governance. Likewise, should the Authority have any significant governance weaknesses these will also be disclosed publicly within the Annual Governance Statement.
18. The Committee has delegated responsibility to approve the Annual Governance Statement which will accompany the Statement of Accounts. The Annual Governance Statement will also be published alongside the unaudited statement of accounts at the beginning of the period for public inspection, commencing in early June. The draft Annual Governance Statement is attached together with the relevant assurances for consideration.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	The Annual Governance Statement provides assurance for Members that effective governance arrangements are in place.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications)	The Annual Governance Statement links with 'Our Strategy' as it demonstrates how the Authority ensures the delivery of quality services.
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores)	The Annual Governance Statement provides assurance for Members that effective governance arrangements are in place.
Consultation (identify any public or other consultation that has been carried out on this matter)	The Annual Governance Statement will be published for public inspection.
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	No this has not been necessary as the Annual Governance Statement is a summary of existing arrangements. There are no new proposals set out that would need to be assessed in terms of equalities.

Supporting Information

Appendix 1 – Draft Annual Governance Statement
Appendix 2 – Annual Governance Statement Assurances
Appendix 3 – Chief Financial Officer Statement

Background papers:

Accounts and Audit (England) Regulations 2015
CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016
Hereford & Worcester Fire Authority Code of Corporate Governance

Contact Officer

Alison Buttle, Committee & Members' Services Manager
(01905 368209)
Email: abuttle@hwfire.org.uk

DRAFT ANNUAL GOVERNANCE STATEMENT 2017/18

1. Scope of Responsibility

- 1.1 The Fire Authority (the Authority) has a statutory responsibility to ensure that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. To do this the Authority must ensure that proper arrangements exist for the governance of its affairs. This includes maintaining a sound system of internal control and ensuring that robust arrangements for the management of risk are in place.

2. The Purpose of the Governance Framework

- 2.1 Governance is about how the Authority ensures that it is doing the right thing, in the right way for the right people in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, cultures and values, by which the Authority is directed and controlled and through which it accounts to and engages with its communities.
- 2.2 The system of internal control is designed to manage risk to a reasonable level (rather than to eliminate all risk). The Authority maintains a sound system to protect against risks and mitigate their impact. The systems are regularly reviewed and updated.

3. Key Elements of the Governance Framework and Internal Control System

- 3.1 The Authority has adopted a Code of Corporate Governance, which sets out how the Authority promotes good governance. A copy of the code is available at hwfire.cmis.uk.com/hwfire/Documents/DocumentLibrary.aspx or may be obtained from Hereford & Worcester Fire and Rescue Service Headquarters, 2 Kings Court, Charles Hastings Way, Worcester, WR5 1JR.
- 3.2 The Authority had the following protocols and processes in place in 2017/18 which demonstrate the core principles as required by the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016:

Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law is demonstrated through:

- **Members' Code of Conduct and Registers of Interests** – a local Code of Conduct for all Members has been agreed by the Authority and a Register of Financial Interests for each Member has been reviewed and published on the Authority's website. All new Members have received induction training, including training on the Code of Conduct, Ethical Framework and Equality & Fairness.
- **Ethical Framework** - reflects the Authority's commitment to always operating fairly and ensuring dignity and respect in the workplace and in the communities we serve, in an environment which values individual contributions and work towards the elimination of unlawful discrimination.
- **Code of Conduct for Staff and Register of Staff Interests** - requires employees to perform their duties with honesty, integrity, impartiality and objectivity.
- **Whistleblowing Policy** - in place for receiving and investigating complaints from staff and/or contractors and updated during 2017/18 to take into account Safeguarding.

- **Complaints Systems** - in place for receiving and investigating complaints from the public. A procedure is also in place for complaints relating to alleged breaches of the Code of Conduct by Members.
- **Anti-Fraud, Bribery and Corruption Policy** – the Authority has a zero tolerance approach to fraud, bribery and corruption, whether it is attempted from inside or outside the organisation.
- **Monitoring Officer** - provides advice on the scope of the powers and responsibilities of the Authority. The Monitoring Officer has a statutory duty to ensure lawfulness and fairness of decision making and also to receive allegations of breaches of the Code of Conduct by Authority Members. The Head of Legal Services acts as the Authority's Monitoring Officer and is governed by the professional standards set by the Solicitors' Regulation Authority.

Core Principle B: Ensuring openness and comprehensive stakeholder engagement demonstrated through:

- **Consultation Processes** – used effectively to consult staff and stakeholders in 2017/18 about proposed new crewing arrangements.
- **Public Participation at Authority meetings** – members of the public can raise any topic at full Authority meetings as long as it is relevant to the duties and power of the Fire Authority.
- **Fire Station Open Days and public events** – facilitates engagement with the public with regards to the services we provide.
- **Active engagement with partners** – the Authority is represented on Local Strategic Partnerships, the Safer Roads Partnership and local Community Safety Partnerships. The Authority has also worked closely with West Mercia Police with regards to sharing buildings, such as the Operational Command Centre and moving its headquarters to Hindlip Park (West Mercia Police HQ), and is actively exploring opportunities for an alliance with Shropshire Fire and Rescue Service.

Core Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits demonstrated through:

- **Fire Authority Annual Report 2017/18** (Corporate Plan) - incorporates the annual performance of the Authority, the future outlook and objectives for the forthcoming year.
- **Community Risk Management Plan 2014-2020** – sets out how we will deliver sustainable services for our communities.
- **2020 Vision Programme** – a programme of major projects identified as being critical to the success of the organisation because they ensure its on-going resilience in the coming years. The projects in the programme include new fire stations, the roll out of vital new technology upgrades as part of national projects, and pivotal work with local partner organisations.
- **Fleet Strategy 2016-2021** – provides a structured approach to vehicle management that ensures the Authority continues to provide and maintain an effective fleet of vehicles to ensure that staff can undertake their jobs effectively.

Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes demonstrated through:

- **Performance Management Framework** – a comprehensive set of key performance indicators measures the quality of service for users. Performance is monitored on a quarterly basis by the Authority's Policy & Resources Committee and Senior Management Board to ensure that services are delivered in accordance with the Authority's objectives and best use of resources.
- **Medium Term Financial Plan** - sets out the resources needed to deliver services.
- **Strategic Risk Register** - identifies controls to mitigate inherent identified risks and is monitored on an on-going basis with exception reporting to the Senior Management Board and to the Audit & Standards Committee.
- **Departmental Risk Registers** - reviewed by managers on a quarterly basis.

Core Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it demonstrated through:

- **Constitution** - defines the roles and responsibilities of the Authority, Committees, Members and Officers and the protocols to be followed.
- **Member Development Strategy 2017-2020** – includes an induction for new Members and an annual training programme to provide opportunities for all Members to develop fire-specific knowledge.
- **Senior Management Board (SMB)** – involves all Principal Officers and Heads of Service in supporting the Chief Fire Officer to lead the Service.
- **People Strategy 2017-2020** - aims to support the workforce to become more resilient and diverse, to develop their skills and maximise their wellbeing at work
- **Staff Development Process** – Individual Performance and Development Reviews in place for all staff to enable personal objectives to be set which contribute to the overall aims of the Authority. Competency training records and a course management system are also in place.

Core Principle F: Managing risks and performance through robust internal control and strong public financial management demonstrated through:

- **Audit & Standards Committee** - reviews arrangements for identifying and managing the Authority's business risks and the approval of policies in respect of the Authority's governance framework.
- **Chief Financial Officer (Treasurer)** - ensures the sound administration of the financial affairs of the Authority, as required by the statutory duties associated with s.151 of the Local Government Act 1972, the Local Government Finance Act 1988 and the Accounts and Audit Regulations 2015. The Chief Financial Officer is also governed by professional standards set by CIPFA.
- **Risk Management Strategy** - ensures that the Authority identifies strategic risks and applies the most cost effective control mechanisms to manage those risks.

- **Business Continuity Plan** - to ensure the Authority is resilient to interruptions which have the potential to adversely affect the delivery of core functions.

Core Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability demonstrated through:

- **Transparency Information** - published on the website in accordance with the Local Government Transparency Code to promote openness and accountability through reporting on local decision making, public spending and democratic processes.
- **Agendas, minutes and decisions** – published on the website and includes the rationale and considerations on which decisions are based.
- **Internal Auditors** - Worcestershire Internal Audit Shared Service Audit Team provides the internal audit function for the Authority and reports quarterly to the Audit & Standards Committee.
- **External Auditors** - Grant Thornton UK LLP provides the external audit services to the Authority and reports regularly to the Audit & Standards Committee.
- **Annual Assurance Statement** - provides staff, partners and local communities with an assurance that the Authority is doing everything it can to keep them safe and that it is providing value for money.

4. Review of Effectiveness

- 4.1 The Authority has prepared the Annual Governance Statement in accordance with the “Delivering Good Governance in Local Government Framework 2016” published by CIPFA/SOLACE. As part of the process the Audit & Standards Committee has considered the self-assessment review of its corporate governance arrangements against the CIPFA/SOLACE framework to ensure that the Authority’s governance arrangements are working correctly and are relevant to the current environment.
- 4.2 The Authority is satisfied that its financial management arrangements conform with the governance requirements of the CIPFA Statement of the Role of the Chief Financial Officer in Local Government. In addition, the key financial systems are continually reviewed by the Internal Auditor. There were no major weaknesses identified in the 2017/18 financial year.
- 4.3 Budget Monitoring reports have been presented to the Policy and Resources Committee throughout the financial year and have shown that the Authority’s finances are well controlled and that the resultant under spending is part of a planned response to known future budget constraints. The Authority is working on some longer term schemes to ensure a recurrent budget over time.
- 4.4 The Chief Financial Officer and the Monitoring Officer have provided assurances on their respective areas of statutory responsibility. All Members of the Senior Management Board have also provided assurances on their areas of responsibility.

5. Significant Governance Issues

- 5.1 Based on the information provided above there are no significant governance issues identified at this time. We are satisfied that the need for improvements will be addressed and we will thereafter monitor the implementation and operation of any agreed recommendations as part of our next annual review.

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Chief Fire Officer/Chief Executive Chairman of the Fire Authority

Date: 25 April 2018

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Annual Governance Statement Assurances 2017/18 and Action Plan 2018/19 - Updated April 2018

Status of Compliance Key:



=action needed



=minor actions needed



=no action required

No change= →

Improvements
made=↑

Improvement
needed = ↓

Core Principle A:

Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
Behaving with integrity	Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation	<ul style="list-style-type: none"> • Audit & Standards Committee oversight • Authority Member Role Description • Ethical Framework in place – included in Members' Induction which all new Members attended • Code of Conduct for Members and complaints process • Member Training on Code of Conduct by Councils monitored • Equality Scheme • Staff Code of Conduct • Registers of Interest for Members and Officers • Pay Policy Statement • Payments to Members published • SMB Visits to Stations and Departments 	→	Induction of new Members following elections Gender Pay Gap information published	

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
	Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)	<ul style="list-style-type: none"> Local Members Code of Conduct approved by the Authority Member representation on Organisational Development Working Group Authority approval of Equality scheme Authority Committees oversee development and implementation of equality and fairness policies 	→		
	Leading by example and using the above standard operating principles or values as a framework for decision making and other actions	<ul style="list-style-type: none"> Standard authority report template includes corporate considerations, including equalities Equality Impact Assessments (EIAs) – included in corporate considerations section of Authority reports Ask the Chief facility on intranet SMB Sharepoint site SMB visits to stations and departments 	→		
	Demonstrating, communicating and embedding the standard operating principles or	<ul style="list-style-type: none"> Register of Staff Interests Policy Related party disclosure requirements 	→	Whistleblowing Policy updated to take into account Safeguarding	

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
	values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively	<ul style="list-style-type: none"> • National Fraud Initiative • Anti-Fraud, Bribery and Corruption Policy • Equality Scheme • Whistleblowing Policy • Disciplinary Policy • Capability Policy • Harassment and Bullying Policy • Employment Monitoring Information 			
Demonstrating strong commitment to ethical values	Seeking to establish, monitor and maintain the organisation's ethical standards and performance	<ul style="list-style-type: none"> • Audit & Standards Committee • Organisational Development Working Group • Review of Equality Objectives revised for 2017-2022 • Our Strategy • Monitoring complaints 	→		
	Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation	<ul style="list-style-type: none"> • Staff Code of Conduct • Ethical Framework • Whistleblowing Policy 	→		
	Developing and maintaining robust policies and procedures which	<ul style="list-style-type: none"> • Register of Staff Interests Policy • Anti-Fraud, Bribery and 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
	place emphasis on agreed ethical values	Corruption Policy <ul style="list-style-type: none"> Equality Scheme Whistleblowing Policy Disciplinary Policy Capability Policy Harassment and Bullying Policy 			
	Ensuring that external providers on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation	<ul style="list-style-type: none"> Standard terms and conditions include clause relating to Whistleblowing Policy Standing Orders for Regulation of Contracts Procurement guidance – contractors also expected to adhere to Ethical Framework 	↑	Review of Standing Orders for Regulation of Contracts completed	
Respecting the rule of law	Ensuring members and staff demonstrate a strong commitment to the rule of law as well as adhering to relevant laws and regulations	<ul style="list-style-type: none"> In-house Head of Legal Services to provide advice Updates in Service Bulletin Constitution sets out requirements Ethical framework training Training for managers on disciplinary policy 	→		Potential review of constitutional arrangements following PCC Business Case approval
	Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their	<ul style="list-style-type: none"> Member/Officer Protocol Constitution Committee Terms of Reference Scheme of Delegations to 	→		Potential review of constitutional arrangements following PCC

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
	responsibilities in accordance with legislative and regulatory requirements	Officers <ul style="list-style-type: none"> • Members Role Description • Appraisals for Statutory Officers • Members Training 		CFO Appraisal by Chairman	Business Case approval
	Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders	<ul style="list-style-type: none"> • Saving More Lives Vision • Our Strategy • Tri-Service Principal Officer meetings • Local Strategic Partnership • Joint Operations and Command Project Board • People & Services Programme Board with West Mercia Police • Place Partnership Ltd. Joint Board • In-house Head of Legal Services to provide advice 	→		
	Dealing with breaches of legal and regulatory provisions effectively	<ul style="list-style-type: none"> • In-house Head of Legal Services to provide advice • Whistleblowing Policy • Anti-Fraud, Bribery and Corruption Policy 	→		
	Ensuring corruption and misuse of power are dealt with effectively	<ul style="list-style-type: none"> • Disciplinary Policy • In-house Head of Legal Services to provide advice • Whistleblowing Policy • Anti-Fraud, Bribery and Corruption Policy 	→		

Core Principle B:

Ensuring openness and comprehensive stakeholder engagement

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
Openness	Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	<ul style="list-style-type: none"> • Fire Station Open Days and public events • Website – your right to know section • Complaints process • Fire Authority Annual Report • Consultation Process • Publication Scheme • Public Participation at Authority meetings – guidance on website • Protocol for filming / recording meetings • Meetings Schedule • Scheme of Delegation • Transparency Information published on website to meet Government's Transparency requirements • Service Bulletin 	→		
	Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes.	<ul style="list-style-type: none"> • Access to Information Procedure Rules – public interest test • Authority and Committee 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
	The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided	meetings in public <ul style="list-style-type: none"> • Authority reports set out corporate considerations • Officer decisions published • 2020 Vision Programme Board • Publication Scheme and Access to Information advice published on website 			
	Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear	<ul style="list-style-type: none"> • Authority reports set out corporate considerations • Minutes / decisions published • Consultation process and staff engagement on crewing arrangements • Fire Authority Annual Report 	→		
	Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action	<ul style="list-style-type: none"> • After the Incident Surveys implemented and end of year report • Social Media Policy • Fire Station Open Days and public events 	→		
Engaging comprehensively with	Effectively engaging with institutional stakeholders to	<ul style="list-style-type: none"> • Fire Authority Annual Report 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
institutional stakeholders <i>NB institutional stakeholders are the other organisations that local government needs to work with to improve services and outcomes (such as commercial partners and suppliers as well as other public or third sector organisations) or organisations to which they are accountable</i>	ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably	<ul style="list-style-type: none"> • Local Strategic Partnerships • Memorandums of Understanding • West Midlands Regional Collaborative Statement • Joint Operations and Command Centre Project Board • Place Partnership Ltd Joint Board • Tri-Service Principal Officer meetings • PCC attends Fire Authority meetings as a non-voting member 			
	Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively	<ul style="list-style-type: none"> • National Flood Support • Collaboration with the Police e.g. shared HQ, OCC, sharing buildings, PCSOs training to be retained firefighters • Operational Policy – jointly created policy documents, sharing risk information • Collaborative approach to procurement e.g. Command Support Unit • Local Strategic Partnerships • Safer Roads Partnership in West Mercia 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
		<ul style="list-style-type: none"> • Community Safety Partnerships and activities • Tri-Service Supervisory Incident Command courses • Joint training and exercises with partners 			
	<p>Ensuring that partnerships are based on:</p> <ul style="list-style-type: none"> • trust • a shared commitment to change • a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit 	<ul style="list-style-type: none"> • Saving More Lives Vision • Fire Authority Annual Report • Worcestershire Sustainable Community Strategy • Joint Emergency Services Interoperability Programme (JESIP) framework • JESIP Statement of Assurance • Data sharing with partners including NHS, Clinical Commissioning Groups, Age UK, e.g Exeter data • Local Resilience Forum • WODA project 	→		
Engaging with individual citizens and service users effectively	Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service	<ul style="list-style-type: none"> • Wyre Forest Hub Consultation • Communication Plans where required 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
	users and other stakeholders to ensure that service (or other) provisions is contributing towards the achievement of intended outcomes				
	Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement	<ul style="list-style-type: none"> • Media training for officers • Social Media Policy • Development of Youtube channel • Press releases / media campaigns • Service website • Members Role description • Our Strategy • Our Values 	→		
	Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs	<ul style="list-style-type: none"> • After the Incident Surveys implemented and end of year report • Complaints and comments procedure • Positive Action Sub-Group • Fire Station Open Days and public events • Public Engagement statistics reported through Community Risk dashboard 	→		
	Implementing effective feedback mechanisms in order to demonstrate how	<ul style="list-style-type: none"> • Complaints logged and themes reported to SMB 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
	views have been taken into account	and Audit & Standards Committee			
	Balancing feedback from more active stakeholder groups to ensure inclusivity	<ul style="list-style-type: none"> Positive Action Sub-Group 	→		
	Taking account of the impact of decisions on future generations of tax payers and service users	<ul style="list-style-type: none"> Minimum Revenue Provision Policy Prudential Indicators Legacy projects as part of 2020 Vision Programme which aim to create a sustainable fire and rescue service 	→		

Core Principle C:

Defining outcomes in terms of sustainable economic, social and environmental benefits

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
Defining outcomes	Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions	<ul style="list-style-type: none"> • Saving More Lives Vision • Our Strategy – Core Purpose • Fire Authority Annual Report • Annual Statement of Assurance • Performance Management Framework 	→		
	Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer	<ul style="list-style-type: none"> • Previous consultations e.g. Wyre Forest Hub Consultation, CRMP 	→		
	Delivering defined outcomes on a sustainable basis within the resources that will be available	<ul style="list-style-type: none"> • 2020 Vision programme • Medium Term Financial Plan • Fire Authority Annual Report 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
	Identifying and managing risks to the achievement of outcomes	<ul style="list-style-type: none"> • Strategic Risk Register • 2020 Vision Programme Board • Programme Management and Support in place • Internal Audit • External Audit • Audit & Standards Committee • Corporate Objective of “Understanding Risk” supports the “Saving More Lives” Vision • Responding based on risk e.g. Service Risks Project, Risk Based Audit Programme 	→		
	Managing service users’ expectations effectively with regard to determining priorities and making the best use of the resources available	<ul style="list-style-type: none"> • Previous consultations e.g. Wyre Forest Hub Consultation, CRMP 	→		
Sustainable economic, social and environmental benefits	Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision	<ul style="list-style-type: none"> • Fire Authority Annual Report 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
	Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints	<ul style="list-style-type: none"> • Our Strategy – Core Purpose and Resourcing for the Future • Fleet Strategy 2016-2021 • Authority meetings held in public and decisions published • External Audit Plan • ICT Strategy • People Strategy 	→		
	Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs	<ul style="list-style-type: none"> • Medium Term Financial Plan, Council Tax Precept • Authority scrutiny of PCC Business Case 	→		
	Ensuring fair access to services	<ul style="list-style-type: none"> • Our Values – we value diverse communities • Organisational Development Working Group • Ethical Framework • Equality Objectives 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
		<ul style="list-style-type: none"> • Equality Impact Assessments • Public Sector Equality Duty • Your Right to Know section of website • Targeting vulnerable groups e.g. Home Fire Safety Checks • Positive Action 			

Core Principle D:

Determining the interventions necessary to optimise the achievement of the intended outcomes

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
Determining interventions	Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided	<ul style="list-style-type: none"> • Authority report template requires corporate considerations to be set out for decision makers • Authority Members given professional advice from lead officers i.e. Principal Officers, Treasurer, Head of Legal Services / Monitoring Officer • Procurement process • Quarterly Performance Reports considered by SMB and Policy & Resources Committee • Community Risk Management Plan approval process 	→		
	Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited	<ul style="list-style-type: none"> • Authority report template requires the results of any consultation to be set out for decision makers • Complaints monitored and reported to SMB and Audit & Standards Committee • After the Incident Surveys 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
	resources available including people, skills, land and assets and bearing in mind future impacts				
Planning interventions	Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets	<ul style="list-style-type: none"> • Medium Term Financial Plan and budget development process • Annual internal and external audit plans • Regular budget holder meetings • Budget monitoring and performance monitoring undertaken by SMB and Policy & Resources Committee • Strategy Management and Business Planning Policy • Programme and Project Management Policy • Strategic Risk Register 	→		
	Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered	<ul style="list-style-type: none"> • Staff consultation e.g. crewing models • Joint Consultative Committee (JCC) • Middle Management Board • Group Commanders Forum • Station Commanders Forum • Retained Officers in Charge 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
		Meetings <ul style="list-style-type: none"> • Local Strategic Partnerships • Joint Operations and Command Centre Project Board • Place Partnership Ltd Joint Board • Tri-Service Principal Officer meetings • Collaboration with the Police e.g. shared HQ and OCC, sharing buildings, PCSOs training to be retained firefighters 			
	Considering and monitoring risks facing each partner when working collaboratively, including shared risks	<ul style="list-style-type: none"> • Strategic Risk Register • 2020 Vision Programme Board • Business Continuity Plans • Service Risks Project – shared with partners 	→		
	Ensuring arrangements are flexible and agile so that mechanisms for delivering goods and services can be adapted to changing circumstances	<ul style="list-style-type: none"> • Cultural acceptance of the need to be flexible • Horizon scanning through CFOA, Local Government Association and other networks 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
	Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured	<ul style="list-style-type: none"> • Performance Management Framework • Comprehensive set of KPIs agreed by SMB • Policy & Resources Committee and SMB review performance quarterly • 2020 Vision Programme Board monitors performance of projects • Equality Objectives 	→		
	Ensuring capacity exists to generate the information required to review service quality regularly	<ul style="list-style-type: none"> • Performance & Information Department supports all areas of the service in <ul style="list-style-type: none"> ○ Active Incident Monitoring (AIM) ○ Information Management ○ Public Services Network ○ Performance ○ Planning ○ Projects • ORH independently reviews data 	→		
	Preparing budgets in accordance with objectives, strategies and the medium term financial plan	<ul style="list-style-type: none"> • Technology One Finance System • Budget Holder meetings • Fire Authority Annual Report • CRMP Annual Action Plan 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
		<ul style="list-style-type: none"> • Business Planning process • Strategy Management and Business Planning Policy 			
	Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy	<ul style="list-style-type: none"> • Medium Term Financial Plan • Capital Budget Programme • Revenue Budget • Reserves Strategy • 2020 Vision Programme • Transformation Funding Bids 	→		
Optimising achievement of intended outcomes	Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints	<ul style="list-style-type: none"> • Medium Term Financial Plan (MTFP) discussed at full Fire Authority meetings • MTFP linked to the CRMP and the Efficiency Plan approved by the Home Office 	→		
	Ensuring the budgeting process is all-inclusive, taking into account the full costs of operations over the medium and longer term	<ul style="list-style-type: none"> • External Audit Plan • Value For Money Conclusion • Resourcing for the Future is a key foundation for Our Strategy 	→		
	Ensuring the medium term financial strategy sets the context for on-going decisions on significant delivery issues or	<ul style="list-style-type: none"> • Community Risk Management Plan • Medium Term Financial Plan 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
	responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage				
	Ensuring the achievement of 'social value' through service planning and commissioning	<ul style="list-style-type: none"> Procurement process 	→		

Core Principle E:

Developing the entity's capacity, including the capability of its leadership and the individuals within it

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
Developing the entity's capacity	Reviewing operations, performance and use of assets on a regular basis to ensure their effectiveness	<ul style="list-style-type: none"> • Performance Management Framework • Senior Officer appraisals • Quarterly performance reports to Policy & Resources Committee and SMB • Complaints process • Quality assurance audits • Electronic Incident De-brief Process • Active Incident Monitoring Process • Station Assurance Audits • Practical Skills Audits • IPDR process • Leadership Workshops as part of Cultural Review 2017/18 	→		
	Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so	<ul style="list-style-type: none"> • Performance Management Framework • KPIs set by SMB • Business Planning • Annual performance report and quarterly performance monitoring 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
	that defined outcomes are achieved effectively and efficiently	<ul style="list-style-type: none"> • Risk based planning e.g. CRMP informing budget setting process • CRMP Action Plan • Fire Authority Annual Report 			
	Recognising the benefits of partnerships and collaborative working where added value can be achieved	<ul style="list-style-type: none"> • Fire Authority Annual Report • Local Strategic Partnerships • Memorandums of Understanding • West Midlands Regional Collaborative Statement • Joint Operations and Command Centre Project Board • Place Partnership Ltd Joint Board • Tri-Service Principal Officer meetings 	→		
	Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	<ul style="list-style-type: none"> • Our Strategy – Foundations: People • Our Values • Monthly Workforce Planning meetings • Voluntary Redundancy Scheme • Voluntary Early Retirement Scheme 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
		<ul style="list-style-type: none"> • Secondment Scheme • Budget Strategy Reduction Reserve • Employment Monitoring – Annual Report considered by Policy & Resources Committee • People Strategy 			
<p>Developing the capability of the entity's leadership and other individuals</p> <p><i>NB Executive / Cabinet and Leader Model not in place</i></p>	<p>Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained</p>	<ul style="list-style-type: none"> • Members' Role Description • Senior Management Job Descriptions • Senior Management Board Terms of Reference and Membership • Terms of Reference for Group Leaders' Meetings • Protocol for Member/Officer Relations • Statutory Officer Appraisals 	→		
	<p>Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body</p>	<ul style="list-style-type: none"> • Scheme of Delegations to Officers in place • Matters reserved for the Authority in Constitution • Committee Structure and Terms of Reference • Standing Orders 	→		
<p><i>NB Executive / Cabinet and Leader Model not in place</i></p>	<p>Ensuring the leader and the chief executive have clearly defined and</p>	<ul style="list-style-type: none"> • Members' Role Description • Senior Management Board 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
	distinctive roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and balance for each other's authority	Terms of Reference and Membership <ul style="list-style-type: none"> • Senior Management Job Descriptions • Terms of Reference for Group Leaders' Meetings • Authority and Committees provide challenge to Principal Officers • Statutory Officer Appraisals 			
	Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by <ul style="list-style-type: none"> • ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational 	<ul style="list-style-type: none"> • Member Development Strategy • Members' Role Description • Fire specific Member Development Programme • Members' Induction Session and Pack • Members' Bulletin • Monitoring of Member attendance at Code of Conduct Training • In-house Monitoring Officer and Committee Services Team to provide on-going support and advice • Audit & Standards Committee oversee Member Training • Member Training also provided by constituent authorities 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
	<p>requirements is available and encouraged</p> <ul style="list-style-type: none"> ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external 	<ul style="list-style-type: none"> Local Inductions for staff Appraisal (IPDR) process for staff SMB Workshops Conference attendance Competency training records and course management system for staff Leadership training eg ELP De-brief process provides shared learning through lessons learned Development Programme for Middle Managers e.g. ILM Level 7 Leadership workshops as part of Cultural Review 2017/18 			
	Ensuring that there are structures in place to encourage public participation	<ul style="list-style-type: none"> Public participation scheme for Authority meetings Wyre Forest Hub Consultation Complaints Procedure 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
		<ul style="list-style-type: none"> Fire Station Open Days and public events 			
	Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections	<ul style="list-style-type: none"> CFOA Regional Health & Safety Audit – review of recommendations by Audit & Standards Committee and Health & Safety Committee 	→		
	Holding staff to account through regular performance reviews which take account of training or development needs	<ul style="list-style-type: none"> Appraisal (IPDR) process for staff 	→		
	Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing	<ul style="list-style-type: none"> Occupational Health Annual Fitness Tests available for all staff Mind Blue Light Pledge Critical Incident Support Team Mediation and Listening Ear Service 	→		

Core Principle F:

Managing risks and performance through robust internal control and strong public financial management

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
Managing risk	Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making	<ul style="list-style-type: none"> • Community Risk Management Plan (CRMP) • Strategic Risk Register • Risk Management Strategy • Audit & Standards Committee Terms of Reference • Authority Standard Report Template requires any risk issues to be set out • External Audit • Internal Audit • Statement of Assurance 	→		
	Implementing robust and integrated risk management arrangements and ensuring that they are working effectively	<ul style="list-style-type: none"> • CRMP Action Plans • Departmental Risk Registers • Quarterly Risk Register Reviews • Service Risks project – risk presentation for staff and partners • Resilience Direct website to share risk based information with other fire services and Local Resilience Forum 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
	Ensuring that responsibilities for managing individual risks are clearly allocated	<ul style="list-style-type: none"> • Strategic Risk Register • Departmental Risk Registers 	→		
Managing performance	Monitoring service delivery effectively including planning, specification, execution and independent post implementation review	<ul style="list-style-type: none"> • Community Risk Management Plan (CRMP) • CRMP Review 2017/18 • CRMP Action Plans • 2020 Vision Programme Board • Lesson learnt reports for completed projects • Service delivery audits • Skills and performance audits • Internal Audit – Critical Friend Audits • Debrief system • Statement of Assurance 	→		
	Making decisions based on a relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook	<ul style="list-style-type: none"> • Fire Authority and Committee report template – specific reference to implications and risks • Equality Impact Assessment 	→		
	Encouraging effective and constructive challenge and	<ul style="list-style-type: none"> • Members Role description • Member Development 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
	debate on policies and objectives to support balanced and effective decision making	<ul style="list-style-type: none"> Strategy • Policy & Resources Committee • Audit & Standards Committee • Task & Finish Group e.g. Fleet Strategy • SPI Consultation Process 			
	Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement	<ul style="list-style-type: none"> • Quarterly Performance Monitoring reports considered by SMB and Policy & Resources Committee • 2020 Vision project updates to the Fire Authority e.g. committee reports • 20:20 Programme Board 	→		
	Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements)	<ul style="list-style-type: none"> • Constitution – responsibility for functions • Financial Regulations • Budget and precept setting process – Fire Authority • Quarterly financial monitoring by Policy & Resources Committee • Strategy Management and Business Planning Policy • Programme and Project Management Policy 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
Robust internal control	Aligning the risk management strategy and policies on internal control with achieving objectives	<ul style="list-style-type: none"> • Risk Management Policy and Risk Assessment Process • Business Continuity Policy • Financial Regulations • Anti-Fraud and Corruption Policy 	→	Review of Financial Regulations not yet completed as the review is linked in with the review of Contract Standing Orders	Review of Financial Regulations carried over from 2016/17
	Evaluating and monitoring risk management and internal control on a regular basis	<ul style="list-style-type: none"> • Quarterly reviews of departmental risk registers • Internal Audit Plan • External Audit Plan 	→		
	Ensuring counter fraud and anti-corruption arrangements are in place	<ul style="list-style-type: none"> • Anti-Fraud and Corruption Policy • Whistleblowing Policy 	→		
	Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor	<ul style="list-style-type: none"> • Worcestershire Internal Audit Shared Services Objectives • Internal Audit Plan • Quarterly Internal Audit reports 	→		
	Ensuring an audit committee or equivalent group/function, which is independent of the executive and accountable	<ul style="list-style-type: none"> • Audit & Standards Committee has delegated decision making authority • Restrictions on membership of Audit & 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
	<p>to the governing body:</p> <ul style="list-style-type: none"> provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment that its recommendations are listened to and acted upon 	Standards Committee to prevent conflict of interests			
Managing data	Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data	<ul style="list-style-type: none"> Information Governance Policy Data Transfer Policy Data Protection Policy Freedom of Information Act and Environmental Information Regulations Policy Records Management Policy Information Security Incident Management Policy 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
	Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies	<ul style="list-style-type: none"> Information Sharing Protocol Data Transfer Policy 			
	Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring	<ul style="list-style-type: none"> Information Governance Policy (Data Quality and Version Control) Information Asset and Retention Register Quarterly performance monitoring reports to SMB and Policy & Resources Committee 	→		
Strong financial management	Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance	<ul style="list-style-type: none"> Treasurer / Director of Finance in place Budget Holder meetings Fire Authority Annual Report CRMP Business Planning process Strategy Management and Business Planning Policy Medium Term Financial Plan and budget development process Budget monitoring and performance monitoring undertaken by SMB and Policy & Resources Committee 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
	Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls	<ul style="list-style-type: none"> Financial Regulations Technology One Finance System Internal Audit recommendations Standing Orders for the Regulation of Contracts 	↑	Review of Standing Orders for Regulation of Contracts completed	

Core Principle G:

Implementing good practices in transparency, reporting and audit to deliver effective accountability

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
Implementing good practice in transparency	Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate	<ul style="list-style-type: none"> • Fire Authority Annual Report • Annual Assurance Statement • Council Tax Information leaflet / webpage • Community Risk Management Plan • Consultation documents • Agendas, minutes and decisions published, including the rationale and considerations on which decisions are based • Head of Legal and Committee Services to advise on Authority and Committee reports 	→		
	Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand	<ul style="list-style-type: none"> • Your Right to Know section of the website • Compliance with the Government's Transparency Code via Transparency webpage • Social media 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
Implementing good practices in reporting	Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way	<ul style="list-style-type: none"> • Fire Authority Annual Report • Annual Assurance Statement • Council Tax Information leaflet / webpage 	→		
	Ensuring members and senior management own the results reported	<ul style="list-style-type: none"> • Fire Authority Annual Report • Annual Assurance Statement • Annual Performance report 	→		
	Ensuring robust arrangements for assessing the extent to which principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement)	<ul style="list-style-type: none"> • Internal Audit and External Audit of the Annual Governance Statement and assurances • Internal Audit of the development Annual Governance Statement – full assurance 	→		
	Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate	<ul style="list-style-type: none"> • Worcestershire Internal Audit Shared Services is run by steering group comprising the relevant local authorities who abide by the Framework 	→		

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
	Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations	<ul style="list-style-type: none"> • Statement of Accounts prepared prior to deadline • Audit of Accounts • Statement of Assurance presented at the same time as the Statement of Accounts • Family Group 4 Benchmarking Report 	→		
Assurance and effective accountability	Ensuring that recommendations for corrective action made by external audit are acted upon	<ul style="list-style-type: none"> • Audit & Standards Committee considers external audit reports and adequacy of management response to recommendations 	→		
	Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon	<ul style="list-style-type: none"> • Worcestershire Internal Audit Shared Service • Internal Auditor reports to Audit & Standards Committee and attends meetings 	→		
	Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations	<ul style="list-style-type: none"> • CFOA West Midlands Regional Health & Safety Audit • Operational Assurance 	→	Preparation is being undertaken in respect of the new inspection regime under Her Majesty's Inspectorate of Constabulary and FRSS	

Supporting Principle	Behaviours and actions that demonstrate good governance in practice	Evidence of compliance	Status of compliance	Progress on 2017/18 Actions	2018/19 Actions
	Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement	<ul style="list-style-type: none"> • Risk Registers include risks associated with failure of suppliers • Where necessary, contracts/agreements require business continuity of third parties. 	→		
	Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met	<ul style="list-style-type: none"> • Local Strategic Partnerships • Memorandums of Understanding • West Midlands Regional Collaborative Statement • Joint Operations and Command Centre Project Board • Place Partnership Ltd Joint Board • Worcestershire Partnership Executive Group Terms of Reference • Shenstone Group Objectives • JESIP Framework and Statement of Assurance 	→		

Appendix 3 – Expanded / additional governance requirements from the Chief Financial Officer statement reflected in the local Code of Corporate Governance

1. Core Principle: Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area

Additional governance requirements from Chief Financial Officer statement	Evidence of compliance
i. Ensure that timely, accurate and impartial financial advice and information is provided to assist in decision making and to ensure that the authority meets its policy and service objectives and provides effective stewardship of public money and value for money in its use.	<ul style="list-style-type: none"> • Medium Term Financial Plan • Annual Audit Letter • Value for Money Opinion • Performance Management Framework • Procurement Frameworks in place eg BlueLight Emergency Services e-Tendering • Standing Orders for Regulation of Contracts – recently reviewed • Fire Authority reports
ii. Ensure that the authority maintains a prudential financial framework; keeps its commitments in balance with available resources; monitors income and expenditure levels to ensure that this balance is maintained and takes corrective action when necessary.	<ul style="list-style-type: none"> • Minimum Revenue Provision Policy • Quarterly Performance and Budget Monitoring Reports to Policy & Resources Committee • Statement of Accounts • Financial Regulations • Publication of supplier payments over £250
iii. Ensure compliance with CIPFA's Code on Prudential Capital Finance and CIPFA's Treasury Management Code.	<ul style="list-style-type: none"> • Statement of Prudential Indicators • Treasury Management Reports to Policy & Resources Committee

2. Core Principle: Members and officers working together to achieve a common purpose with clearly defined functions and roles

Additional governance requirements from Chief Financial Officer statement	Evidence of compliance
i. Ensure that the Chief Financial Officer reports directly to the Chief Executive and is a member of the leadership team with a status at least equivalent to other members. If different organisational arrangements are adopted, explain the reasons publicly, together with how these deliver the same impact.	<ul style="list-style-type: none"> • Role of Chief Financial Officer undertaken by Treasurer (Director of Finance & Assets) – Principal Officer level – member of Senior Management Board • Senior Management Board Terms of Reference and Membership • Senior Management Job Descriptions
ii. Ensure that the authority's governance arrangements allow the Chief Financial Officer direct access to the Chief Executive and to other leadership team members.	<ul style="list-style-type: none"> • Scheme of Delegations to Officers • Senior Management Board Terms of Reference and Membership • Direct access to Authority and to Audit & Standards Committee • Audit & Standards Committee terms of reference
iii. Appoint a professionally qualified Chief Financial Officer whose core responsibilities include those set out in the Statement Role of the Chief Fin. Officer in Local Govt and ensure that they are properly understood throughout the authority. iv. Ensure that the Chief Financial Officer: <ul style="list-style-type: none"> • Leads the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively. • Has a line of professional accountability for finance staff throughout the organisation. 	<ul style="list-style-type: none"> • Director of Finance & Assets appointed as S151 Officer (Treasurer) • Deputy Treasurer in place • Audit Commission Annual Audit Letter • Budget Holders Meetings and Surgeries

<p>v. Ensure that budget calculations are robust and reserves adequate, in line with CIPFA's guidance.</p> <p>vi. Ensure that appropriate management accounting systems, functions and controls are in place so that finances are kept under review on a regular basis. These systems, functions and controls should apply consistently to all activities including partnership arrangements, outsourcing or where the authority is acting in an enabling role.</p>	<ul style="list-style-type: none"> • Internal Audit Reports • Technology One Finance System • Financial Regulations • Budget Monitoring Reports to Policy & Resources Committee • Audit Committee consider Internal Audit reports
<p>vii. Establish a medium term business and financial planning process to deliver strategic objectives including:</p> <ul style="list-style-type: none"> • a medium term financial strategy to ensure sustainable finances • a robust annual budget process that ensures financial balance • a monitoring process that enables this to be delivered <p>viii. Ensure that these are subject to regular review to confirm the continuing relevance of assumptions used.</p>	<ul style="list-style-type: none"> • Medium Term Financial Strategy • Audit of Accounts • Statement of Accounts • Budget Monitoring Process and Reports • Budget / Financial Seminar for Members
<p>3. Core Principle: Members and officers working together to achieve a common purpose with clearly defined functions and roles</p>	
<p>i. Ensure that systems and processes for financial administration, financial control and protection of the authority's resources and assets are designed in conformity with appropriate ethical standards and monitor their continuing effectiveness in practice.</p>	<ul style="list-style-type: none"> • Anti-Fraud, Bribery and Corruption Policy • Whistleblowing Policy • National Fraud Initiative reviewed in full and reported to Audit & Standards Committee promptly

4. Core Principle: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

i. Ensure an effective internal audit function is maintained	<ul style="list-style-type: none"> • Audit & Standards Committee in place • Internal Audit reports regularly considered by Audit & Standards Committee • Policy & Resources Committee scrutinises performance
ii. Ensure that the authority's governance arrangements allow the Chief Financial Officer direct access to the audit committee and external audit.	<ul style="list-style-type: none"> • Audit & Standards Committee in place • Treasurer has meetings with Audit & Standards Committee Chairman • Treasurer is advisor to Audit & Standards Committee
iii. Ensure the provision of clear, well presented, timely, complete and accurate information and reports to budget managers and senior officers on the budgetary and financial performance of the authority.	<ul style="list-style-type: none"> • Schedule of meetings • Budget Monitoring Reports to SMB and P&R Committee • Budget Holders meetings
iv. Ensure the authority's governance arrangements allow the Chief Financial Officer to bring influence to bear on all material decisions.	<ul style="list-style-type: none"> • Clerk and Treasurer comment on draft Fire Authority and Committee reports and attend Authority meetings to advise • Financial Regulations • Treasurer reports regularly to Authority • Reserves Strategy approved by Authority
v. Ensure that advice is provided on the levels of reserves and balances in line with good practice guidance.	
vi. Ensure that the authority's arrangements for financial and internal control and for managing risk are addressed in annual governance reports.	<ul style="list-style-type: none"> • Strategic Risk Register in place • Audit & Standards Committee Terms of Reference • Fire Authority Standard Report Template – risk issues need to be highlighted • Risk Management Strategy in place • External Audit • Internal Audit • Financial Regulations • Technology One Finance System
vii. Ensure the authority puts in place effective internal financial controls covering codified guidance, budgetary systems, supervision, management review and monitoring, physical safeguards, segregation of duties, accounting procedures, information systems and authorisation and approval process.	

5. Core Principle: Developing the capacity and capability of members and officers to be effective

<p>i. Ensure the Chief Financial Officer has the skills, knowledge, experience and resources to perform effectively in both the financial and non-financial areas of their role.</p> <p>ii. Review the scope of the Chief Financial Officer's other management responsibilities to ensure financial matters are not compromised.</p> <p>iii. Provide the finance function with the resources, expertise and systems necessary to perform its role effectively.</p>	<ul style="list-style-type: none">• Head of Paid Service, Treasurer and Monitoring Officer appointed by Authority• Performance appraisals in place• Finance team in place – staff appropriately qualified and trained
<p>iv. Embed financial competencies in person specifications and appraisals.</p> <p>v. Ensure that councillors' roles and responsibilities for monitoring financial performance/budget management are clear, that they have adequate access to financial skills and are provided with appropriate financial training on an ongoing basis to help them discharge their responsibilities.</p>	<ul style="list-style-type: none">• Staff appraisals• Member Induction• Member Role Description• Annual Budget / Financial Seminar for Members

Report of Head of Legal Services

Constitution Changes: Standing Orders for the Regulation of Contracts

Purpose of report

1. To propose amendments to the Standing Orders for the Regulation of Contracts to give effect to the Public Contract Regulations 2015 and to reflect more accurately current practice.
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Recommendations

It is recommended that the amended Standing Orders for the Regulation of Contracts as attached at Appendix 1 of this report be referred to the Authority for approval.

Introduction and Background

2. The Constitution follows the model form for local authorities and will be broadly familiar to Members from elsewhere and is available to all Members and the public on the Authority's website. The documents that comprise the Constitution are subject to on-going review to ensure that they remain fit for purpose and reflect current legislation and governance practices.
3. The Standing Orders for the Regulation of Contracts are a key part of the Authority's Constitution and set out the procurement process that must be followed by the Authority to ensure proper governance when seeking to award a contract. The Standing Orders set out the requirements when seeking quotations or tenders for contracts, the mechanisms required in the procurement process and circumstances where exceptions to the requirements can be made.

Public Contract Regulations (PCR) 2015

4. The PCR 2015 built on the well-established principles governing public procurement, for example by increasing the type of procurement procedures available to public authorities for awarding contracts above EU thresholds, reducing timescales involved in procurement processes and an obligation on the part of public authorities to make procurement documents available electronically.
5. The vast majority of contracts awarded by the Authority are below the EU thresholds (currently £181,302 for supplies and services or £4,551,413 for building works) where many of the requirements in the PCR 2015 do not

apply. However, there are still some rules with regards to those contracts over £25,000 but below the EU thresholds that must be followed, such as the requirement for public authorities to publish contract opportunities on the Government's Contracts Finder website.

6. The Authority's Standing Orders for the Regulation of Contracts have been amended to take into account the updated changes in procurement practice that have been developed since the PCR 2015 came into effect. The amended Standing Orders aim to further strengthen the governance arrangements with regards to procurement and also align with the additional obligations of the Authority with regards to transparency e.g. the Local Government (Transparency Requirements)(England) Regulations 2015 and the Openness of Public Bodies Regulations 2014.

Conclusion/Summary

7. The Authority's Standing Orders for the Regulation of Contracts have recently been reviewed and amended to reflect changes to public procurement required by the PCR 2015 and the subsequent development in procurement practice. The amended draft Standing Orders are attached at Appendix 1 for consideration and it is recommended that the Authority approve the amended draft.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	No additional resources required.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	Yes. Ensuring effective governance arrangements for the Authority is part of 'Our Strategy.'
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	There are no risks associated with the amended draft, however should the proposed draft not be approved there would be a risk that the Authority's governance arrangements would be less robust as a result.
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?)	An Equalities Impact Assessment has not been completed as this is not a policy directly affecting the communities. However, the PCR 2015 which are reflected within the proposed draft include provisions from the Lord Young reforms which aim to reduce the burdens on small businesses and help them win more contracts.

Supporting Information

Appendix 1 – draft Standing Orders for the Regulation of Contracts

Background papers:

Hereford & Worcester Fire Authority Constitution

Public Contracts Regulations 2015

Local Government (Transparency Requirements)(England) Regulations 2015

Openness of Public Bodies Regulations 2014

Contact Officer

Alison Buttle, Committee Services Manager

(01905 368209)

Email: abuttle@hwfire.org.uk

Contract Standing Orders [draft]

1. Scope & Purpose / Introduction

- 1.1 These Contract Standing Orders (CSOs) are part of the Fire Authority's Constitution and must be applied in the procurement and disposal of goods, materials and services and in the execution of works.
- 1.2 The objective of these CSOs is to ensure that contracts are obtained on the most favourable terms, having due regard to quality, service and fitness for purpose. All procurement and disposal procedures must:
- Achieve best value for money
 - Be consistent with the highest standards of integrity
 - Ensure fairness and transparency
 - Comply with all legal requirements
 - Support the Fire Authority's corporate aims and policies.

2. Value of Contracts

- 2.1 The value of the contract will determine the route to procurement. The Responsible Manager for the proposed contract must agree a procurement plan and process with the Procurement & Contracts Manager (and Head of Legal Services where the contract value exceeds £25,000).
- 2.2 The value of the contract is the total estimated value of the goods/services to be procured during the life of the contract. This must take into consideration the acquisition price (net of VAT) plus any other costs we will incur as part of the same contract e.g. on-going maintenance if this is included in the contract.
- 2.3 Where the duration of the contract is indeterminate the value should be taken to be the estimated value of the contract over a period of four years.
- 2.4 In some cases a contract may be legitimately divided into separate lots, e.g. goods and services offered as two separate contracts or contracts split geographically where this will aid service delivery or facilitate tendering by local contractors. However, contracts must not be artificially split to avoid the relevant threshold and in assessing the value of a contract all lots should be aggregated.
- 2.5 Where the total value for a purchase or disposal is within the values in the first column below, the award procedure in the second column must be followed as a minimum. Regard should always be had as to whether the chosen procurement route is likely to secure best value for the Authority proportionate to the sums involved.

Total Contract Value Exceeding	Award Procedure	Minimum Advertising Requirements
Above EU thresholds	Either: (a) OJEU compliant tender process - See EU procurement rules or (b) EU compliant Framework	Publish in OJEU (Official Journal of the European Union) Publish on Authority website as required by the Transparency Code but not prior to publication in OJEU;
£100,000 to EU threshold	Either: (a) Minimum of 3 formal <u>open</u> tenders, or (b) Minimum 3 formal <u>select</u> tenders where the CFO is satisfied, having regard to the nature of the contract, that restricting the number of tenderers will not disadvantage the Authority	Open tenders over £25,000 must be published on Contracts Finder and on Authority website as required by the Transparency Code
£50,000 to £100,000	Invite formal Tenders from a minimum of 3 select tenderers.	
£5,000 to £49,999	Minimum 3 written quotations or invite tenders for a minimum of 3 select tenderers.	
Below £5,000	One or more written quotations to be obtained.	

2.6 The terms and conditions of all contracts over £25,000 must first be approved by Legal Services). It will therefore be necessary for the documentation to be approved by Legal Services before the invitation to tender or request for quotes is sent out.

3. Exceptions to the Award Procedures

3.1 A contract that is below the EU threshold may be entered into on behalf of the Authority other than in accordance with Standing Order 2 (above) in the following circumstances and only with the prior approval of the Chief Fire Officer/Chief Executive or nominated responsible officer:

(a) Where the works, supplies or services can be supplied only by a particular supplier for any of the following reasons:—

- (i) goods, materials or services are of a unique or specialised nature;
- (ii) competition is absent for technical reasons;
- (iii) the protection of exclusive rights, including intellectual property rights;

but only, where no reasonable alternative or substitute exists and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement;

(b) Where the supply of goods, materials or services are similar to or compatible with an existing provision so as to render only one source of supply appropriate. Special care must be taken and the Head of Legal Services must be consulted where the aggregate of the original contract value and any subsequent contracts exceeds the EU procurement threshold.

(c) Where the Chief Fire Officer/Chief Executive is satisfied that for reasons of extreme urgency brought about by events unforeseeable by the authority, the time limits for the relevant procurement procedures cannot be complied with. The circumstances invoked to justify extreme urgency must not in any event be attributable to the contracting authority

(d) For the supply of used or second-hand goods or materials where the Chief Fire Officer/Chief Executive is satisfied that the market for such goods or materials demonstrate good value and is such that it would be unreasonable to tender or where the time required to tender would lead to loss of opportunity to purchase a used or second-hand item.

(e) For the supply of goods, materials or services in any other circumstances where the Chief Fire Officer/Chief Executive is satisfied that there are proper service reasons for not tendering and that there would be no financial disadvantage to the Fire Authority as a result.

(g) Where the Fire Authority considers that there are special circumstances justifying the waiving of Standing Orders and authorises such waiver by resolution.

(h) Where procurement is undertaken through a Framework Agreement negotiated by another organisation and approved by the Head of Legal Services

(i) For purchase or sale of goods by public auction.

- (j) Where, despite observing the procurement process as laid out in this document, due to market or other conditions, no tenders or no suitable tenders have been submitted and provided that the initial conditions of the contract are not substantially altered. [Where the contract is above the EU threshold additional restrictions apply and a report must be sent to the EU Commission]
 - (k) Where procurement is carried out in collaboration with another organisation and the procurement rules of that other organisation have been followed, subject to approval of the Head of Legal Services
 - (l) Where Place Partnership Ltd tender on behalf of the Authority and have complied with their tender procedures
- 3.2 All contracts made in accordance with Standing Order No. 3.1 shall be recorded in the Contracts Register together with reason and explanations.

4. Framework Agreements

- 4.1 A Framework Agreement is an arrangement whereby the Fire Authority can enter into a contract known as a “call-off contract” direct with a supplier but under the auspices of an agreement that has been entered into by another organisation and which has already complied with the EU procurement requirements.
- 4.2 The specification of the contract must be determined prior to identification of a framework or supplier(s) who are part of a framework agreement.
- 4.3 A call-off contract from a framework agreement can be obtained either by direct award or mini-competition depending on the terms of the Framework Agreement. In order to use a direct award under a framework the ordering officer must be able to justify how this gives the best outcome for the Fire Authority. Where a mini-competition is conducted in accordance with the tender procedure it will be subject to the terms of the Framework.

5. Responsibilities

- 5.1 Before seeking any quotes, tenders or awarding a contract, the Responsible Manager must:
 - ensure they have all appropriate authorisations and approvals on file (see Scheme of Delegations);
 - ensure there is sufficient budgetary provision;
 - seek all necessary legal, procurement, financial, risk management and technical advice;
 - provide a full specification before entering any procurement process;
 - agree a procurement plan and process with the Procurement & Contracts Manager (and Head of Legal Services where the contract value exceeds £25,000);

- ensure that appropriate maintenance regimes for equipment purchased are put in place. When evaluating tenders or bids received, consideration must be given the whole life costs of the contract e.g. maintenance arrangements and any residual valuations;
- complete any investigations and/or risk assessments necessary to discharge the Service's duties under the Health and Safety at Work Act 1974 and subsequent regulations or approved codes of practice;
- confirm the appropriateness of the suppliers asked to quote or to tender. Responsible Managers should take reasonable care in supplier selection and should ask for reasonable supporting information commensurate with the value/risk of the procurement. Appendix A contains a list of example information that the ordering officer may consider in assessing suppliers. Where potential suppliers are picked from a select list or register, the ordering officer should confirm with the compiler that suppliers have submitted satisfactory supporting information commensurate with the value/risk of the procurement;
- ensure written records are kept in relation to any pre-tender or quotation enquiries, including notes of telephone conversations and/or meetings with potential suppliers to be filed in the central repository /contract file (SharePoint);
- avoid any suggestion of impropriety and ensure any offers of gifts or hospitality from potential suppliers are declined and any personal interests have been declared in accordance with as in Standing Order 13 (Compliance/Probity). The Contract Manager should also ensure that they comply with Standing Order 13;
- provide details of all contracts valued over £5,000 to the Procurement and Contracts Manager for inclusion in the Contracts Register;
- where the contract value exceeds £100,000 ensure that a record of decision is completed by the Contract Manager and send to Committee Services for publication on the Authority's website; and
- monitor and review the performance of the contract following award.

6. Contracts Register

6.1 The Contracts Register shall be maintained by the Procurement & Contracts Manager or other nominated officer and shall contain a record of:

- all contracts entered into by the Authority valued over £5,000;
- any action, statements of reasons and exceptions made under Sections 3 (Exceptions), 7 (Pre-tender / quotation enquiries), 9 (Submission, Receipt and Opening Tenders), 10 (Post Tender Negotiation), and 11 (Evaluation/Award of Contract) of these standing orders;
- any contracting decision and the reason for it;
- any information supplemental to the contract; and
- any conversations and meetings at any stage of the procurement process.

- 6.2 All contracts and relevant correspondence and records shall be retained in the Contracts Register for at least 6 years after the contract comes to an end. If made as a deed / under seal they must be kept for at least 12 years after the contract comes to an end.

7. Pre tender/quotation enquiries

- 7.1 Enquiries of potential contractors in advance of a procurement exercise may be undertaken to prepare the marketplace for a tender and/or to assist the Authority to better understand what the market is able to provide to meet the outcome the Authority is trying to achieve. Such consultation with potential suppliers may be made in general terms and:

- no information shall be disclosed to one contractor which is not then disclosed to all those of whom enquiries are made;
- no contractor shall be led to believe that the information they offer will necessarily lead to them being invited to tender, submit a quotation or to be awarded the contract;
- technical advice on the preparation of an invitation to tender or quotation must not be sought or accepted from anyone who may have a commercial interest in bidding for the contract as this may prejudice the equal treatment of all potential tenderers and distort competition; and
- a written record, including notes of telephone conversations and/or meetings held with potential suppliers and the responses and names of all individuals spoken to or present shall be kept in a central file maintained by the Procurement & Contracts Manager.

8. Invitations to Tender

- 8.1 Contracts above EU thresholds require specific information to be included with invitations to tender and such requirements must be followed. When inviting tenders for contracts below EU thresholds, the Contract Manager/Ordering Officer shall, as a minimum, supply the Tenderers with:

- an accurate specification or other description of the goods, materials works or services including copies of any relevant drawings or maps;
- all tenderers invited to tender or quote must be issued with the same information at the same time and subject to the same conditions. Any supplementary information must be given on the same basis;
- the invitation to tender or to submit a quotation must state that the Authority is not bound to accept any quote or tender;
- instructions as to the manner in which any tender or quotation is to be submitted, including dates and times by which the tender must be returned;

- all invitations to tender shall state that any tender received after the date and time stipulated in the invitation to tender may be rejected and not considered;
- an outline of how any arithmetical errors discovered in the submitted tenders are to be dealt with. In particular, whether the overall price prevails over the rates of the tender or vice versa;
- details of the Authority's the terms and conditions of the contract that have been approved by the Head of Legal Services;
- the invitation to tender must include a form of tender and instructions to tenderers including the requirement to complete a certificate relating to non-collusion; and
- details of any additional or supporting documents that are required such as those listed in Appendix A of this document (include Whistleblowing, Ethical Framework, etc.).

9. Submission, Receipt and Opening of Tenders

- 9.1 Potential tenderers must be given an adequate period to prepare depending on complexity / urgency. This would normally be 4 weeks. The EU procedure lays down specific time periods which must be followed.
- 9.2 All tenders should normally be returned through the electronic tendering portal approved by the Head of Legal Services and which is designed to ensure the integrity and secrecy of tenders received. Emails and/or faxes cannot be accepted and must be rejected.
- 9.3 Once the deadline has passed the Procurement & Contracts Manager shall ensure there is a record of all tenders received and the amounts thereof and then provide the tender documents to the ordering officer / contract manager for assessment.
- 9.4 The Head of Legal Services may at his or her absolute discretion permit consideration of a tender submitted after the deadline has passed, provided:
 - (a) it is in the best financial interests of the Fire Authority to do so;
 - (b) they are satisfied that the tenderer has not secured an advantage over other tenderers; and
 - (c) the decision to admit the tender is taken before the remaining tenders are opened. A record of these tenders and the discretion exercised under this Standing Order must be kept in the Contracts Register.
- 9.5 If for technical reasons tenders are required to be returned by hard copy these— should be returned to the Head of Legal Services.

10. Post Tender Negotiations

- 10.1 The Chief Fire Officer/Chief Executive or nominated officer (ordering officer/contract manager) shall be empowered to accept the most economically advantageous/favourable tender received.
- 10.2 Where no tender meets the Authority's exact requirements, whether because the value of the tender exceeds the approved budget, the goods are not as required or for any other reason, the Chief Fire Officer/Chief Executive or nominated officer may negotiate with the tenderer submitting the most economically advantageous/favourable tender to obtain improvements in terms of price, delivery or content unless the Chief Fire Officer/Chief Executive considers in all the circumstances that all those persons who originally submitted a tender for the contract should all be given an opportunity to re-tender. However, such negotiation is the exception rather than the rule and the Head of Legal Services must be consulted prior to any negotiation. Where post tender negotiation results in fundamental change to specification or contract terms the contract must not be awarded but re-tendered.
- 10.3 A written record shall be kept of all negotiations including notes of meetings and names of those present and file in the central contract file.

11. Evaluation /Award of Contract

- 11.1 Quotations and tenders must be evaluated and awarded in accordance with objective award criteria. The result must award the contract to the tender that achieves the highest score in the objective assessment.
- 11.2 Ordering officers / contract managers must ensure that:
- submitted tender prices are compared with any pre-tender estimates and any discrepancies are examined and resolved;
 - arithmetic in compliant tenders is checked; and
 - a record is retained of the evaluation undertaken (for 6 years after expiration of contract).
- 11.3 All contracts must be in writing, either in terms of a formal legal agreement over £25,000 and/or a purchase order clearly indicating the nature and quantity of the work or service required, the price and any terms or conditions as to payment. Details of all orders must be entered and authorised on the Finance system.
- 11.4 The Head of Legal Services must sign all contracts over £25,000. Contracts below £25,000 may be signed by an Area Commander or Head of Service.

12. Following Award of Contract

- 12.1 The details of any contract awarded over £25,000 must be published on Contracts Finder no later than 90 calendar days after the contract award date. All contracts over £5000 must be published on the Authority's website on a quarterly basis.

- 12.2 Any decision to award a contract over the value of £100,000 must also be published on the Authority's website under the Openness of Public Bodies Regulations 2014, which requires the decision maker to set out the reasons for their decision and any alternative options that were considered but rejected.
- 12.3 Contracts above EU thresholds cannot be awarded until after the mandatory standstill period. In these cases a standstill notice must be sent to all tenderers and any candidates.
- 12.4 Should an award of a contract be challenged, the contract must not be awarded and the Head of Legal Services must be notified.

13. Compliance / Probity

- 13.1 The CSOs aim to protect staff against allegations of impropriety and therefore, all staff and any agents or consultants acting on their behalf must fully comply with these CSOs. All staff must also comply with any guidance and instructions regarding contractual arrangements as issued by the Head of Legal Services, the Director of Finance or the Procurement & Contracts Manager. A failure to comply may result in disciplinary action being taken.
- 13.2 Staff must be transparent, objective and non-discriminatory in all procurement activities and must not deliberately mislead suppliers. Commercial information obtained from suppliers, particularly pricing must be kept confidential and cannot be released to third parties without the prior approval of the supplier. However, there are various exceptions including requests under FOIA and publication of award notices.
- 13.3 The values and behaviours described in the Employee Code of Conduct and the Fire and Rescue Service Anti-Fraud, Bribery and Corruption Policy shall apply to all staff entering into and developing contracts. In addition, all staff must comply with the Register of Staff Interests Policy and register any interest they have in a contract or proposed contract with the Fire Authority, whether or not it is something they are dealing with personally. Staff must not invite any gift or reward in respect of the award or performance of a contract and must ensure that any offers of gifts and/or hospitality that are made by suppliers or potential suppliers are declined and registered in accordance with the Employee Code of Conduct and the Anti-Fraud, Bribery and Corruption Policy.

14. Consultants

- 14.1 The appointment of external consultants or architects must itself comply with Contract Procedure Rules. Where external consultants or architects (other than Place Partnership Ltd) procure tenders on the Authority's behalf they must comply with Contract Procedure Rules as though it were being done in-house.

15. Fire Authority as a Supplier

- 15.1 The Director of Finance and Head of Legal Services must be consulted prior to contemplation of any contracts for the Authority to undertake work or provide services to other organisations.

16. Disposal of Assets

- 16.1 Any assets to be disposed of by the Authority shall be disposed of by whatever means is most likely to secure the best value for the Authority having regard to the nature and value of the assets concerned and shall first be approved by the Director of Finance and Head of Legal Services

In assessing the appropriateness of certain suppliers and as an aid to supplier selection, obtaining appropriate information (such as that listed below) before orders/contracts are placed will assist assessment of supplier quality:

- Confirmation that the supplier organisation or its directors have not committed any offences prescribed Regulation 57 of the Public Contracts Regulations 2015.
- A summary of how the supplier intends to service the contract, including management arrangements, logistics and any other relevant matter.
- A summary of any quality systems that are in use by each supplier (ISO 9000 for example).
- A summary of relevant accreditations such as BS EN 450004 or other training/experience that the suppliers' personnel hold which is relevant to delivering the service.
- The supplier's Equalities policy and evidence of actual compliance along with details of any breaches of the relevant legislation, or similar evidence possibly via questionnaire.
- The supplier's Health and Safety Policy along with accident numbers and RIDDOR reportable accident numbers for the last 2 years and any relevant convictions for the last 5 years.
- A copy of the supplier's Environment Policy and any accreditations (for example ISO 14001) and confirmation that the organisation has not been found guilty of any environmental offences in the last 5 years.
- Potential suppliers may also provide names and addresses of relevant referees (for example Local Authority clients or recognisable commercial concerns) with whom they have contracts. They should also indicate the nature, term and value of the contracts with these referee organisations. The ordering officer will then write to a sample of the offered referees to confirm their view of the quality of the supplier.
- Other suitable tests of competence such as a design competition or test for architectural services.
- Details of sub-contractors that the supplier may be proposing to use and how the sub-contractors quality and ability to perform have been assessed.
- Recent financial accounts to enable the Responsible Manager in conjunction with the Director of Finance to consider any financial matters affecting the supplier's business.
- If appropriate, the suppliers' business continuity arrangements should be reviewed.
- If appropriate, the suppliers' arrangements or quality system for protection of data should be reviewed and suitable monitoring enforced within the contract arrangements. See Service Policy Instruction 1, Management and Administration, Section L, Information Management, Part 2, Data Protection.

Report of the Head of Legal Services

Annual Compliments, Complaints, Concerns and Requests for Information 2017/18

Purpose of report

To update the Committee with details of compliments, complaints, concerns and requests for information made by the public to the Service over the past 12 months.

Recommendations

It is recommended that the Committee notes that during the period 1 April 2017 to 31 March 2018:

- i) a total of 284 requests for information about the Service were received,***
- ii) a total of 75 compliments and donations were received from the public,***
- iii) 34 complaints about Service activities were made; and***
- iv) 31 complaints or concerns were received about activities carried out by other organisations or individuals.***
- v) Two of the complainants appealed the response provided and of those one complaint was sent to the Local Government Ombudsman for investigation.***

Introduction and Background

1. It is important that the Authority has good corporate governance arrangements to ensure services are run in an open and accountable manner. The role of the Committee includes the monitoring and review of the Authority's corporate governance arrangements, which includes responsibility to consider the process and review of compliments, complaints and concerns made by the public about the Service.

Complaints and Concerns Received 1 April 2017 to 31 March 2018

(Last year's figures are shown in brackets for comparison)

2. The Service received a total of 65 (37) complaints and concerns from the public, with 34 (15) being concerned with Service activities and 31 (22) concerning activities carried out by other organisations or individuals. Concerns relating to

business fire safety are passed to Community Risk for immediate action. Following investigation by officers, 15 (15) of the complaints about the Service were upheld, a summary is set out overleaf.

Summary of complaints upheld

Issue	Number of complaints upheld	Outcome
Driving Standards	3	Reminders to staff of values and responsibilities.
Damage to property	2	Remedial Work
Staff behaviour	10	Reminders to staff about expected levels and standards of behaviour. Internal investigations.

3. Two of the complainants appealed to the Assistant Chief Fire Officer regarding dissatisfaction with the response provided by the Service, neither were upheld. One of the complaints was subsequently passed to the Local Government Ombudsman who responded to confirm that they would not be conducting a further investigation following the review of evidence.
4. It should be noted that the complaints and concerns received regarding the responsibilities of other organisations or individuals included concerns over poor fire safety at business and residential premises and the potential lack of access to properties in an emergency.

All complaints and concerns were acknowledged within 3 working days of receipt and all received a response within 10 working days. Due to extended investigations, five complainants received a holding letter within 10 days and a full response was issued within 28 days.

Compliments and Donations Received 1 April 2017 to 31 March 2018

(Last year's figures are shown in brackets for comparison)

5. The Service received 75 (89) compliments and donations during this period and it should be noted that the majority, 37, came following Service attendance at a fire or conducting a Safe and Well check. There were 10 following Service attendance at an event with the remainder noting miscellaneous compliments from animal and water rescues to help with ring removal. It should also be noted that any donations received are passed on to the Fire Fighters Charity who actively support fire fighters in need and exist to support the everyday heroes of the UK fire community.

Freedom of Information and Data Protection Requests Received 1 April 2017 to 31 March 2018

(Last year's figures are shown in brackets for comparison)

6. The Service received 284 (300) requests for information during this period. It should be noted that there was a national spike in FOIA requests following the Grenfell Tower fire tragedy with HWFRS receiving 16 requests specifically concerning high rise buildings. 100% of all requests received were responded to within the statutory timeframe. Themes included requests for information on fires, RTC's, fleet information, I.T, and HR.

Conclusion/Summary

7. The role of the Audit and Standards Committee includes the monitoring and review of the Authority's corporate governance arrangements. This includes responsibility for considering the process with regards to compliments, complaints and concerns made by the public. This process was last reviewed on 16 April 2014 and was considered to be robust and fit for purpose. There have been no significant issues that have arisen since this date and it has not been necessary to make any changes in Service delivery. FOIA processes are continually monitored for improvement opportunities; however, currently no areas have been identified for development.
8. Your officers are satisfied that there are no significant levels of recurring themes or trends in the concerns and complaints being reported to give any cause for concern.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	The complaints, concerns and compliments process uses existing resources. The FOIA and DPA process uses existing resources.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	The complaints, concerns and compliments process links in with the Authority's Code of Corporate Governance. The FOIA and DPA process links to statutory and legislative frameworks.
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	The Audit & Standards Committee receive an annual report to provide assurance to Members that the processes are effective. Committee and Members' Services Officers monitor for any emerging trends in reported concerns and complaints on a monthly basis.
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 – no policy change is recommended

Supporting Information

Background papers:
Hereford & Worcester Fire Authority Annual Governance Statement and Code of Corporate Governance

Contact Officer: Avril Irish: Committee and Members' Services Officer
Tel: 01905 368241, email: airish@hwfire.org.uk

Report of the Head of Operational Support

Health & Safety Committee Update

1. Purpose of Report

- 1.1 The purpose of this report is to provide the Audit & Standards Committee with an update on the activities and items of significance from the Service's Health and Safety Committee.
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2. Recommendations

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

- (i) Health and Safety performance information recorded during October 2017 to December 2017 (Quarter 3); and*
- (ii) the involvement of the Service in a number of Health and Safety initiatives.*

3. Introduction

- 3.1 A key aim of Hereford and Worcester Fire Authority is to ensure the safety and well-being of its employees and to reduce and prevent accidents and injuries at work.
- 3.2 The Health and Safety Committee is established to provide effective arrangements for the liaison and review of matters of a common interest in regards to Health and Safety (H&S). The Committee provides the opportunity for the Service to discuss general H&S matters on which it must consult the workforce via employee representatives.
- 3.3 The Committee has the facility to task work to the Health & Safety Working Group, which sits beneath it and is chaired by the Area Commander Operations Support. The group meets as and when required but at least every six months.

4. Update

The H&S Committee met on the 12th March 2018.

- 4.1 A review of quarterly performance for the relevant period (Quarter 3, Q3) was discussed in detail. This report does show a slight increase in personal injuries and near hits during Q3 as compared to Q3 from the previous year.

- 4.2 The increase in personal injuries is minimal and generally minor in nature, and the increase in near hits supports a positive H&S culture, as it demonstrates that staff are regularly submitting reports regarding the potential for injuries. The reporting of near hits allows the Service to review control measures, and implement further controls before an injury is sustained. This assists in ensuring that personal injuries remain low, and significant events can be avoided. It also demonstrates a high degree of staff awareness in regards to H&S related matters.
- 4.3 All reported events (accidents and near hits) receive a minimum of a local level managerial investigation to identify the cause and implement any preventative control measures to help reduce the likelihood of similar occurrences. More serious events can receive a higher more specialist investigation as is deemed appropriate.

5. HWFRS H&S Update – Local Activities

5.1. Workplace Inspections

- 5.1.1 During Q3 all HWFRS premises (workplaces) have undergone an annual H&S related workplace inspection. This inspection is specifically designed to ensure that key areas of the health, safety and welfare in relation to the premises are checked for compliance. This process also ensures areas of non-compliance are suitably and sufficiently controlled, whilst identifying any areas requiring improvement.
- 5.1.2 Any actions required as a result of these inspections are assessed by Station Commanders/managers and priority levels allocated. These issues can either be managed locally or reported to Place Partnership Ltd should property maintenance support be required.
- 5.1.3 The total number of actions identified in this years inspections across the entire building stock totalled 212 identified actions requiring a level of remedial action. Only 12 of these fall into the high priority level for prompt action. Of these, 8 can be considered closed. The remaining 4 are local housekeeping related which have all been completed locally.

5.2. Breathing Apparatus

HWFRS Cylinder Valve Hand Wheels

- 5.2.1 In Q4 2016/17 a report was submitted to the H&S Committee highlighting a fault with the ratchet mechanism of the breathing apparatus cylinder hand wheel, used to turn the cylinder on and off. Following an internal investigation all hand wheels were replaced on all cylinders across the Service, primarily as a precautionary measure.
- 5.2.2 During Q2 & Q3 2017/18 there have been a small number of additional concerns in regards to the hand wheel ratchet; these were specifically identified at the services Training Centre. The hand wheels have subsequently been sent to the manufacturer to

further try to identify the cause, and a further update will be given at the next H&S Committee meeting.

National Safety Critical Notice

5.2.3 During Q3 the Service was made aware of a Health and Safety event that was discovered by the Scottish Fire and Rescue Service (SFRS). This involving the Dräger PSS 7000 Breathing Apparatus (BA) Set, which is also used within HWFRS. As part of Scottish FRS initial investigations, it was identified that maintenance fault with the pneumatics of a BA set resulted in the failure and significant air loss.

5.2.4 A Safety Critical Instruction note was issued across the UK. As an immediate response every Breathing Apparatus set across HWFRS had been checked and recorded to confirm no faults of this type had been identified. It is also believed that the maintenance regimen in HWFRS should prevent a similar occurrence from happening.

5.3. Risk Assessment (RA) Database

5.3.1 During Q3 a total of 359 RAs were reviewed and 63 new RAs were created. The majority of RAs that were reviewed related to training activities.

	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
Location	Reviewed	Created	Reviewed	Created	Reviewed	Created	Reviewed	Created
North District	55	16	161	44	26	13		
South District	95	26	250	70	98	19		
West District	97	30	248	102	68	24		
Training Centre	121	4	334	15	159	4		
Others	4	0	9	0	8	3		
Total	372	76	1002	231	359	63		

5.3.2 During Q2 there had been a significant drive across the Service for older risk assessments to be transposed into the new format and uploaded into the database. This explains the significantly increased numbers in the 'created' RAs column.

6. Regional Activities

6.1. CFOA Health and Safety West Midlands Regional Group

6.1.1 HWFRS will be audited as part of the agreed CFOA H&S West Midlands Regional business plan 2016-2020.

6.1.2 The four specific areas to be audited are:

- Breathing Apparatus
- Workplace Transport
- Provision and Use of Work Equipment Regulations 1998 (PUWER)
- Slips and Trips

6.1.3 The HWFRS H&S department will forward the relevant organisational policies and procedures to the audit team prior to the audit. This will assist the audit teams in their preparation and will provide them with an awareness of HWFRS processes.

6.1.4 This Audit has been scheduled for 20th – 22nd March 2018, with a final findings report being issued one month after audit completion.

6.2. Regional Support

6.2.1 To provide a level of resilience, for the legal requirement for employers to provide competent Health & Safety advice, HWFRS has joined the four other Fire and Rescue Services within the region to previously agree a Memorandum of Understanding to offer support to our regional partners as and when required.

6.2.2 Whilst a request for provision hasn't formally been made, HWFRS have offered support to Shropshire FRS during a current period of absence of their H&S Professional.

7. National Activities

7.1. Firefighter Exposure to Contaminants Project

7.1.1 With the support of Home Office's department, the Centre of Applied Science and Technology (CAST), a literature review was commissioned in November 2016 to determine the current potential risk of contamination to Firefighters from PPE after it has been worn in a fire. This project is continuing through the National Fire Chiefs council (NFCC) H&S group, with a formal update report due to be issued in the near future.

7.1.2 The project will also consider the impact of minimal changes to directive 2004/37/EC (EU-OSHA, 2018), which requires protection of workers from the risks related to exposure to carcinogens at work. This directive came into force on the 16th January 2018 and Fire and Rescue Services' have until 2020 to comply. HWFRS have always been proactive in promoting hygienic working practices and will continue to do so; however any further actions that may be required as a result of this research are as yet undefined. It is therefore not possible at this stage to ascertain the impact of any further control measures that may be required. The most likely changes in this area are likely to be around the continued health surveillance of staff, if exposed to known carcinogens regularly, which is already embedded in the current asbestos health screening programme.

- 7.1.3 On the 6th February 2018 a study was published in Nature's Scientific Reports (Stec, et al., 2018), expressing concerns in relation to fire fighters potentially being exposed to cancerous chemicals. It is claimed that firefighters are at a higher risk due to their profession rather than the general public in the UK.
- 7.1.4 This report received some media interest and the NFCC and HWFRS issued a media statement expressing that the safety of firefighters is taken seriously and we are committed to gaining further understanding through evidenced based research to support and seek improvements to reduce the risk where necessary, however this information is not available at this time.

8. 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).	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 health and safety 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)	N/A
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	N/A

Contact Officer

Jon Pryce: Area Commander

Head of Operations Support

Tel: 01905 368237 Email: JPryce@hwfire.org.uk

Supporting Information

Appendix 1 - Overview of Events Reported During Quarter 2 (Jul 17 – Sept 17)

Background papers

- EU-OSHA, 2018. *European Agency for Safety and Health at Work*. [Online]
Available at: <https://osha.europa.eu/en/legislation/directives/directive-2004-37-ec-carcinogens-or-mutagens-at-work>
[Accessed Saturday March 2018].
- Stec, A. A. et al., 2018. *Nature - Occupational Exposure to Polycyclic Aromatic Hydrocarbons and Elevated Cancer Incidence in Fire Fighters*. [Online]
Available at: <http://www.nature.com/articles/s41598-018-20616-6>
[Accessed Saturday March 2018].

1. Overview of Events Reported During Quarter 2 (Jul 17 – Sept 17)

1.1 Summary

In the period of October 2017 to December 2017 a total of **53** Health and Safety (H&S) events were reported. They fall into the categories of:

- Personal Injury
- Vehicle Accidents
- Property or Equipment
- Near Hits or Causes for Concern.
- Violence or Aggression

During this period there were no events reported in the following categories:

- Exposure

Individual summaries of reporting in the key areas are outlined below.

1.2 Personal Injury

Of the **53** H&S events reported, **25** were related to the category of Personal Injury. These are described in Table 1 below:

Sub-Categories	Break-down of Injuries in Each Sub-Category
9 accidents/injuries were during training.	1 relates to a firefighter receiving a small blister on the hand during hot fire training. Remained on duty.
	1 relates to a firefighter experiencing a sharp pain in their lower back whilst lifting a casualty onto a stretcher. They continued with the rest of the training. No further intervention took place. 2 Calendar Days Lost
	1 relates to a firefighter's arm which had been aching during the day and worsened during pumping drills. Serious Event 69 Calendar Days Lost RIDDOR
	1 relates to a firefighter dropping a piece of timber onto their finger whilst laying timber on the floor during timber shoring training. Full USAR PPE was worn at time. Serious Event 32 Calendar Days Lost RIDDOR
	1 relates to a firefighter injuring the lower left hand side of their back whilst managing the hose reel during BA training. 11 Calendar Days Lost RIDDOR
	1 relates to a firefighter straining their left forearm whilst operating a 13.5 metre ladder. Remained on duty.
	1 relates to a firefighter's right arm hitting an obstruction in the water whilst undertaking defensive swimming techniques. Remained on duty.
	1 relates to a firefighter receiving reddening to the shoulder area after observing fire development in a demo container. The reddening then turned into small blisters the following day. Remained on duty.
	1 relates to a firefighter hitting their left knee on a boulder underneath the water during water training. Minor bruising occurred. Remained on duty.

8 accident/injuries were at operational incidents	1 relates to a firefighter who sustained a muscular injury to their left arm whilst moving a casualty from a vehicle which was on its roof. Serious Event 81 Calendar Days Lost until end of Q3 RIDDOR
	1 relates to a firefighter receiving a minor skin irritation following Adblue fluid leaking on them during a road traffic collision. Remained on duty.
	1 relates to a firefighter aggravating an existing injury affecting the left rotator cuff whilst handling a 9 metre ladder. Serious Event 8 Calendar Days Lost RIDDOR
	1 relates to a firefighter sustaining a pin prick injury whilst at an operational incident. Fire gloves were being worn the time of the event. Unsure of the specific cause. Remained on duty.
	3 relate to firefighters experiencing lower back pain. The vehicle they were travelling in left the road after hitting what is believed to be black ice, coming to rest in a field. Remained on duty.
	1 relates to a firefighter slipping on ice on public pavement landing on their shoulder/back and immediately felt pins and needles in both arms. Remained on duty.
7 accident/injuries were during routine activities	1 relates to a firefighter receiving back pain after lowering hose to the ground. 6 Calendar Days Lost
	1 relates to a firefighter getting concrete dust in their eyes during strong winds. Remained on duty.
	1 relates to an employee twisting their leg whilst digging out a hydrant. Remained on duty.
	1 relates to a firefighter hurting their shoulder whilst wearing BA and lifting a dummy during a training session. 4 Calendar Days Lost
	1 relates to a firefighter slipping on ice and jolting their back. The station gritting plan has been reviewed to ensure the area is gritted in the future Remained on duty.
	1 relates to a firefighter slipping on a patch of black ice and falling onto their left leg and lower back. Remained on duty.
	1 relates to a firefighter twisting their ankle when dismounting the fire engine. Remained on duty.
1 accident/injury was during non-service related activities	1 relates to a firefighter responding to station on their bicycle. Whilst on route to station they fell off as the bike skidded on wet leaves. 4 Calendar Days Lost
Totalling 25 personal injuries	
Totalling 5 RIDDOR events	
Totalling 217 calendar days lost	

Table 1: Personal Injuries Reported during Quarter 3

1.3 Vehicle Accidents

Of the **53** H&S events **10** are related to the category of Vehicle Accidents these are further described in Table 2 below.

6 of these events could be attributed to the FRS driver these events are highlighted in grey.

Sub-Categories	Breakdown of Injuries in Each Sub-Category
1 accident was during training	1 relates to a fire engine clipping an overgrown hedge on a narrow road. On arrival at station it was noticed that the wing mirror casing had cracked.
5 accidents were responding to operational incidents	1 relates to a fire engine door hitting a lamppost after being caught by the wind when being opened.
	1 relates to a fire engine making contact with a concrete gatepost which punched the side wall of the rear tyre.
	1 relates to an off road vehicle sliding in the snow whilst responding to an incident. The vehicle came to rest against a steel barrier.
	1 relates to a fire engine leaving the road after hitting what is believed to be black ice, coming to rest in a field. Serious Event
	1 relates to a car over taking a parked fire appliance. The car over-took the appliance and made contact with a car approaching from the opposite direction. Whilst they tried to avoid each other one car collided into the appliance.
4 accidents were during routine activities	1 relates to a lens on the door mirror indicator being cracked on a hire van. The damage only noticed later, whilst being washed down.
	1 relates to a van being driven and making contact with a beacon light whilst performing a U-turn in a carpark.
	1 relates to a car joining from the left of a mini roundabout which made contact with the service vehicle which was already on the round about.
	1 relates to service vehicle parked at station, security fencing fell on to driver's door during high winds.
Totalling 10 vehicle accidents	

Table 2: Vehicle Accidents Reported during Quarter 3

Vehicle mileage statistics for the year 2016-2017 have been provided by the Operational Logistics Fleet Department and have been used to predict vehicle mileage for Q3 2017/18. These are summarised in Table 2A below. It can be seen that there were 6 white fleet accidents out of approximately 207,364 miles driven, which equates to 1 accident for every 34,561 miles driven.

The 4 accidents by red fleet vehicles were out of approximately 58,629 miles driven, which equates to 1 minor accident for every 14,657 miles driven.

Fleet	Total Mileage 2016-2017	Predicted Mileage Q3 2017
White Fleet	829,456	207,364
Red Fleet	234,516	58,629
	Totalling 1,063,972 miles	Totalling 265,993 miles

Table 2A: Vehicle Mileage Statistics

1.4 Property or Equipment Damage

Of the **53** H&S events **3** related to the category of Damage to Property or Equipment, this is further described in Table 3 below:

Sub-Categories	Break-down of Injuries in Each Sub-Category
1 property or equipment failure during training	1 relates to using a combi tool for road traffic collision training. Oil leaking out working end.
2 property or equipment failures were at operational incidents	1 relates to a charging cable being inadvertently left plugged in to an appliance during a manoeuvre. This resulted in the cable being pulled from the reel.
	1 relates to a BA set failing leak test a number of times after changing cylinder after operational wear at incident.
	Totalling 3 property or equipment damage

Table 3: Damage to Property or Equipment Reported during Quarter 3

1.5 Near Hits or Causes for Concern

Of the **53** H&S events **14** related to the category of Near Hits or Causes for Concern - these are further described in Table 4 below:

Sub-Categories	Break-down of Injuries in Each Sub-Category
6 were during training exercises	1 relates to an Lung Demand Valve becoming detached from the face mask. Serious Event RIDDOR
	1 relates to ill-fitting PPE being identified. Gloves and tunic would not meet properly on return from cleaning. A new tunic was issued. Significant Event
	1 relates to a cylinder valve found to be defective on a training centre set. Fault identified after donning and starting checks were carried out. Significant Event
	1 relates to a firefighter waiting to enter the fire house, when the facemask sucked against their face during breathing. Serious Event
	1 relates to a panel of a search cage falling out of its housing narrowly missing a YFA team member.
	1 relates to a bracket of the bay door becoming loose and falling during the operation of opening the door.
4 were at operational incidents	1 relates to a pump failure resulting in loss of water to crew. Significant Event
	1 relates to poor housekeeping in the kit room which could have created a hazard. The item causing the obstruction has been removed.
	1 relates to an engine cutting out for no apparent reason on a fire engine during daily checks. It failed to restart at the same time as call for an RTC came in. The crew proceeded in another appliance. Significant Event

	<p>1 relates to a failure of a water pump. A Firefighter attempted to engage the pump which didn't function correctly. The firefighter was then unable to disengage the pump or engage the gearbox. This resulted in no water supply being available or the fire engine being manoeuvred.</p> <p>Significant Event</p>
4 were during routine activities	<p>1 relates to an uncontrolled release of compressed air from a BA compressor through a charging hose.</p> <p>Significant Event</p>
	<p>1 relates to a contractor fixing the floor/paving inline with the automatic barrier. The contractor failed to isolate the barrier which resulted in him being struck by the barrier during an automatic activation. No injury was reported.</p>
	<p>1 relates to a fire engine being driven back from an operational incident. The crews smelt burning and a warning light appeared on the dashboard, the vehicle was stopped and water was applied to over heating brakes. Significant Event</p>
	<p>1 relates to a firefighter walking backwards and almost tripping over in a pot hole in a station yard, defect reported to Place Partnership Ltd</p>
	Totalling 1 RIDDOR event
	Totalling 14 near hits or causes for concern

Table 4: Near Hits or Causes for Concern Reported during Quarter 3

1.6 Exposure to Violence or Aggression

Of the **53** H&S events **1** related to the category of Exposure to Violence or Aggression, this is further described in Table 5 below:

Sub-Categories	Break-down of Injuries in Each Sub-Category
1 during operational activities	1 relates to 3 fire fighters receiving verbal abuse from a companion of a missing person
	Totalling 1 exposure to violence or aggression

Table 5: Exposure to Violence or Aggression Reported during Quarter 3

2. Significant/Serious Events during Quarter 3 (Oct 17 – Dec 17)

There have been 7 serious events reported during quarter 3 that required a specialist accident investigation. In addition to these, there were also 7 significant events reported that did not require a full specialist investigation but required a further review of the standard local investigation to ensure no Service wide risks were apparent.

2.1 Summary for Quarter 3 (Oct 17 – Dec 17)

During quarter 3, 6 RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) reports were submitted to the Health and Safety Executive (HSE). Five of these were personal injury events were reported under the time lost category, with 1 further event of a BA malfunction reported under the dangerous occurrence category.

A total of 7 serious events were reported during quarter 3, of which 4 resulted in personal injuries. 1 was a vehicle accident and 2 were near hits/dangerous occurrences. These are detailed below and required a full specialist investigation, however only 2 of these events required a level 2 debrief where a senior officer is required to consider any service wide implications.

1. One event relates to a new recruit, whose arm was aching during the day and worsened during the undertaking of pumping drills. Following a review, no additional control measures were required to be added to the risk assessment. Occupational Health service support has also been offered.
2. A firefighter injured their finger during an operational incident when a piece of timber fell on their finger whilst they were timber shoring. Full PPE was being worn at the time of the event and a risk assessment was in place. The injured person's training records were up to date. It was felt that it was a lapse in concentration with no additional control measures requiring to be implemented.
3. A personal injury was recorded when a firefighter injured their shoulder whilst moving a casualty at an operational incident. The incident involved performing a time critical rescue in a confined space from a HGV which had crashed down an embankment. The firefighter had to physically manoeuvre the casualty above head height. Their manual handling training records were up to date and the technique being used was deemed as fully appropriate in the context of the operational situation.
4. Another event relates to a firefighter injuring their shoulder whilst moving a ladder. The firefighter had a pre existing injury which reoccurred during this activity. A full investigation was undertaken and further occupational health support has been provided to the injured party. (*Level 2 debrief*)
5. A vehicle accident was reported, when, during a response to an operational incident a fire engine was slowing to take a corner and skidded on black ice. This resulted in the vehicle failing to make the bend and proceeding straight ahead through a hedge and into a field. The fire engine was recovered from the field with personnel only suffering minor bruising. A full investigation has been conducted and driver training department have confirmed that the speed was suitable for the roadway, the driver acted appropriately and displayed a high degree of skill in a difficult situation, however the black ice was a contributory factor. A frost warning isn't available on all vehicles, but will now be specified on all new vehicles. (*Level 2 debrief*)
6. A lung demand valve became detached from a breathing apparatus facemask during a training exercise. The Breathing Apparatus set was inspected by HWFRS technicians and no fault could be found. This was then verified by a third party engineer.
7. The final serious event reported during quarter 3 related to a breathing apparatus facemask sucking onto a wearers face as an air flow issue was reported. The wearer was in the open waiting to enter

the fire container. The Breathing Apparatus set was inspected by HWFRS technicians and no fault could be found, this was then verified by a Drager engineer.

There were 7 significant events reported during quarter 3. All of which were reported under the 'near hit' category. These events were of a sufficient enough nature that, whilst not requiring a full specialist investigation, a further review by a supervisory officer or a specialist accident investigator was required.

1. One event relates to a PPE sizing issue being identified when a fire tunic was returned from cleaning. A minor repair had been made to the sleeve which made it slightly shorter. This resulted in a gap remaining between the glove and the sleeve when being worn. This was within the agreed tolerance for repair, however a new tunic was issued to the wearer to ensure the correct level of protection was maintained.
As a result of this event Ops Logistics are now notified of any repair carried out by the manufacturer. Crews have also been reminded of the need to check PPE on return to them.
2. A breathing apparatus cylinder hand wheel was found to be defective during buddy checks. The cylinder has been returned to the manufacturer for a scientific investigation. A report will be produced for the next committee.
3. There was an uncontrolled release of air from a compressor hose during charging of a breathing apparatus cylinder. The compressor was isolated and inspected by a contractor who confirmed the air hose had become loose. The defect was repaired by a contractor as it is not an area of responsibility for service personnel. All compressors were checked across the service with no similar issue being identified. Since this event HWFRS have appointed a new compressor maintenance contractor.
4. Whilst attempting to operate a pump on a fire engine it failed to engage correctly. A Firefighter made further attempts to operate the pump but they could neither engage the pump nor engage the gearbox. The result of this situation was that the fire engine could not supply water, nor drive away/manoeuvre. Fleet workshops inspected the vehicle and identified that the hand throttle was sticking and was subsequently repaired. No further fault has been reported.
5. The engine of a fire engine cut out for no apparent reason whilst the driver was performing daily checks. It then failed to start when notification call to attend an incident was received. The crew were able to proceed to the incident in another fire engine that was on station. Fleet workshops sent the vehicle to the manufacturer, who identified a filter issue which can occur after servicing. Fleet have now purchased a tool to bleed the filter after servicing to prevent this event reoccurring.
6. A pump failed to operate correctly which resulting in loss of firefighting water. The fire engine was sent back to the manufacturer for testing. The fault could not be replicated but the vehicle's computer was updated with a slight change in operating parameters. No faults have been found since the event. All similar fire engines in the service will have their computers updated with the new parameters.
7. The final event relates to a fire engine being driven back from an operational incident. The crews smelt burning and a warning light appeared on the dashboard, the vehicle was stopped and water was applied to its over-heating brakes. Fleet workshops have identified that the incorrect break pads were fitted This was due to a delivery error from a third party, where the pads were the correct size but their depth was incorrect thus causing excessive friction.

3. Comparison Between Quarters

3.1 Comparison of Events Reported Showing Differences Q3 2016 and Q3 2017

Table 6 below compares the number of events reported in Q3 2016-17 and Q3 2017-18 for the different categories. Four of the categories experienced an increase in events over the 12 months. Conversely, over the same period there were fewer reports in one category, with one staying the same.

Overall, event reporting as a whole has increased by 12 over the period with 53 reports in Q3 2017-18 compared to 41 in Q3 2016-17.

Event Type	Q3 2016-17	Q3 2017-18	Increase/Decrease
Personal Injuries	20	25	+5
Vehicle Accidents	9	10	+1
Property Equipment or	1	3	+2
Violence Aggression &	1	1	0
Near Hits	9	14	+5
Exposure	1	0	-1
Overall	41	53	+12

Table 6: Quarterly Events Reported Q3 2016-2017 and Q3 2017-2018

Table 6 above, compares Q3 2016-17 to Q3 2017-18 reports the service has had:*

- Five more Personal Injury reports
- One more Vehicle Accident report
- Two more reports of Damage to Property or Equipment
- The same number of reports of Violence or Aggression
- Five more reports of Near Hits or Causes for Concern
- One fewer reports of Exposure

*Specific details of these can be provided upon request to the Health and Safety advisor.

3.2 Trend Analysis

In summary, there has been an overall increase in the number of events reported during quarter 3. All events that occurred during the quarter have had a minimum of a local level investigation to identify preventative control measures, to help reducing the likelihood of similar occurrences.

Whilst the number of serious and significant event increased all of these have been thoroughly investigated to ensure that suitable control measures were in place and to highlight any areas of improvement that could be made to help prevent a reoccurrence.

Table 7 shows during quarter 3 there is a fairly even split of the total number of events reported, across the Training, Operational and Routine activities criteria's. This is reflected within the Personal Injury and Near Hit event types. Vehicle Accidents have an even split between Operational and Routine driving.

	Total	Training	Operational Activities	Routine Activities	Non-Service Related Activities
Total H&S Events	53	17	20	15	1
Personal Injury	25	9	8	7	1
Vehicle Accident	10	1	5	4	0
Property or Equipment Failure	3	1	2	0	0
Near Hit or Cause for Concern	14	6	4	4	0
Exposure	0	0	0	0	0
Violence or Aggression	1	0	1	0	0

Table 7: Safety Event Breakdown Q3 2017-2018

Table 8 identifies Manual Handling activities and slips trips and fall are the cause of the majority of personal injuries reported, which are within the expected areas in relation to the physical activities that are regularly undertaken by personnel. To try and reduce the number of manual handling injuries reported, the manual handling CTR is currently being reviewed.

There have also been a small number of burns reported during this period, these have been of a minor nature that caused slight blistering, the health and safety department is working with training centre to review our current practices to ensure suitable and sufficient control measures are being taught and followed.

Total Personal Injuries	25
Manual Handling	10
Slips, Trips & Falls	5
Hit by Moving Object	3
Hit Stationary Object	2
Burns – Operational	1
Burns – Training	2
Other	2

Table 8: Personal Injury Breakdown Q3 2017-2018

Table 9 highlights whilst at low numbers and on the whole of a minor nature, the vehicle accidents involving fire engines have been during responding to operational incidents.

Vehicle Accidents	Fire Engines		Cars and Vans	
	On blue lights	Off blue lights	On blue lights	Off blue lights
Total Accidents	3	1	1	5

Table 9: Vehicle Breakdown Q3 2017-2018