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Internal Audit Quarterly report

Audit Committee

Date: 29 January 2021

Agenda Item:

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Submitted By: Chief Finance and Procurement Officer

Purpose	To present the Internal Audit report October to December 2020
Recommendations	That Members note the content of the report
Summary	To provide a summary of the audit activity for the period October to December 2020 and to report the findings to the Committee.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer:

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Background papers open to inspection: None

Annexes: Internal Audit Quarterly report

1 Introduction

1.1 This Committee has the responsibility for monitoring the work of internal audit. In order to facilitate this, Internal Audit provide a quarterly report of its progress which includes a summary of the work completed and an assessment of the level of assurance provided by the systems examined. This report covers the period from October to December 2020.

On completion of each audit the Auditors provide an assessment of the level of assurance that the control systems in place provide. There are four rankings as detailed below:-

Substantial assurance
Adequate assurance
Limited assurance
No assurance

This report includes a detailed explanation of action which has been taken on any audits which are ranked as providing either limited assurance or no assurance.

2 Audit Work

2.1 The Covid19 pandemic has affected the ability to deliver the internal audit plan which was approved by Audit Committee in April, this is primarily due to staff availability.

2.2 This plan has subsequently been revised following approval at Audit Committees in July and October. This revised plan includes 15 prioritised audits reflecting estimated resources available during the remainder of the year. The internal audit manager advises that there should be a sufficient body of work on which to base the annual opinion on governance, risk management and internal control arrangements that is required as per the Accounts and Audit Regulations 2015.

2.3 In the period October to December, two audits have been completed and one is in progress. In addition, the following up audit on Operational Competency Recording and Reporting has been completed and has been awarded substantial assurance.

3 Financial Implications

- 3.1 The Authority will be refunded for audit days unfulfilled in the approved 2020/21 Audit Plan

4 Human Resource and Diversity Implications

- 4.1 There are no human resource or diversity implications with this report.

5 Health, Safety and Wellbeing Implications

- 5.1 There are no health, safety or wellbeing implications with this report.

6 Environmental Implications

- 6.1 There are no environmental implications with this report.

7 Your Fire and Rescue Service Priorities

- 7.1 The provision of internal audit satisfies all the fire and rescue service priorities.



INTERNAL AUDIT QUARTERLY REPORT

2020/21

October to December

2020

ABOUT THIS REPORT

This report contains information about the work of the Authority's Internal Audit provided by Kirklees Council. The 2020/21 Audit Plan was approved by this Committee at the start of the year covering a variety of areas enabling an annual opinion to be formed on the Authority's governance, risk management and internal control arrangements. Due to lockdown a revised Plan was agreed at the meeting in July and this report forms an update on activity since. Following further disruption the Head of Internal Audit discussed the situation with the Chief Finance & Procurement Officer and confirmed that it will be possible to give an Annual Opinion as required by professional standards and set out in the SLA, although the exact methodology to do so may need some development during the remainder of the year as the period of national restrictions ensues. Members will be updated in due course.

For ease of reference the audits are categorised as follows:

1. Summary
2. Major and Special Investigations
3. Key Financial Systems
4. Other Financial Systems & Risks
5. Locations and Departments
6. Business Risks & Controls
7. Follow Up Audits
8. Recommendation Implementation
9. Advice, Consultancy & Other Work
10. Audit Plan Delivery

Investigation summaries may be included as a separate appendix depending upon the findings.

When reports have been agreed and finalised with the Director concerned and an Action Plan drawn up to implement any improvements, the findings are shown in the text. Incomplete audits are shown as Work in Progress together with the status reached: these will be reported in detail in a subsequent report once finalised.

Good practice suggests that the Authority's management and the Audit Committee should receive an audit opinion reached at the time of an audit based upon the management of risk concerning the activity and the operation of financial and other controls. At the first meeting of the Audit Committee, Members resolved to adopt an arrangement relating to the level of assurance that each audit provides.

As agreed with the Audit Committee, the report has been expanded to include details of the key recommendations applicable to each audit that does not result in a formal follow up visit and the action taken by management regarding their implementation.

The final section of the report concerns Audit Plan delivery.

It is the practice of Internal Audit to undertake follow up audits to ensure that agreed actions have been undertaken. Any audits that produce less than "adequate assurance" will be followed up, together with a sample of the remainder and a new opinion will be expressed about the level of assurance that can be derived from action taken by management to address the weaknesses identified.

1. SUMMARY

This report contains an update on recent internal audit work that forms part of the revised Audit Plan 2020/21.

The revised plan agreed with the Chief Finance & Procurement Officer includes 15 prioritised audits reflecting estimated resources available during the remainder of the year. In addition to a refund for 50 days of work that cannot be resourced, relating to both 2019/20 and 2020/21, any further shortfall will be discussed with management and a course of action agreed. At this time it is envisaged there will be a sufficient body of work on which to base the annual opinion on governance, risk management and internal control arrangements that is required.

2. SPECIAL INVESTIGATIONS & REVIEWS

None during this time.

3. KEY FINANCIAL SYSTEMS & RISKS

None during this time.

4. OTHER FINANCIAL SYSTEMS & RISKS

System	Findings	Audit Opinion
Director of Service Support		

IT Software Licensing	Audit in Progress	
Chief Finance & Procurement Officer		
Purchasing Card Procurement & the Disbursement Account	<p>Use of purchasing cards at each station to replace existing petty cash sub-impressts that formed over a quarter of the total disbursement account of £50,000, has meant the total credit limit for 147 cards in use is now in excess of £400,000, albeit that most expenditure is incurred by specialist departments. This audit examined both areas of purchasing outside of the controls in SAP. Overall, the processes in place are adequate and once fully implemented should allow for a robust control environment, however current remote working arrangements and ongoing supplier system issues were found to have affected the roll out of changes and administration of the accounts, so there is a degree of residual risk arising from the changeover.</p> <p>The process and guidance issued for purchasing card administration is sound and provides for effective controls, although no training sessions have been undertaken due to Covid. Combined with ongoing system access issues this was found to have significantly impacted on the rollout. Many users have not been able to fill out the logs and scan receipts thereby accruing a large backlog of unapproved transactions and unposted expenditure. It should be noted that despite attempts by the Acting Senior Finance Manager to resolve issues with the supplier, the response and support has been limited.</p> <p>To prevent any further delay in administration, users who are having issues are being asked to send in their records so that finance staff can code the expenditure. The feeder will then be run into SAP. Similar issues affect the Hotel Tracker process, albeit expenditure to date is minimal.</p> <p>The internal controls and process in operation with regards to the disbursement account are satisfactory. It is accepted that there is scope to review its' use, which is dated and requires much manual administration as opposed to other methods of payment. The historic balance of £50k is excessive and the intention is to reduce it significantly at year end.</p>	Adequate Assurance

5. LOCATION & DEPARTMENT AUDITS

None during this period.

6. BUSINESS RISK AUDITS

This category of audits reflects the Audit Strategy to incorporate coverage of the controls and management actions to respond to the key risks to the Authority’s objectives as codified in the Corporate Risk Matrix.

Chief Employment Services Officer		
Data Protection Act Compliance	<p>The audit was originally scheduled for 2019/20 following the introduction of the GDPR in 2018 but was deferred until 2020 at management’s request.</p> <p>Good progress has been made to implement GDPR and reduce the risks of non-compliance. The role of Data Protection Officer for the Authority has been re-assigned to the Chief Employment Services Officer recently. Data Protection requirements and processes appear well established with clear review processes, assigned Information Asset Owners, a dedicated Information Governance team and two established forums responsible for regular review. There is clear information on the Authority’s website along with a corporate information security email address for any enquiries. Given that the Data Protection processes appear embedded and operating on a business as usual basis, the risk owners should consider removing it from the Risk Matrix.</p>	Substantial Assurance

7. FOLLOW UP AUDITS

Any audits that result in a less than adequate assurance opinion are followed up usually within six months, depending upon the timescale for implementing the agreed recommendations. Additionally, a sample of other audits is followed up periodically too.

Risk	Findings	Audit Opinion
Director of Service Support		

<p>Operational Competency Recording & Reporting</p>	<p>Since the original audit which produced a Limited Assurance opinion, significant action has been taken to address operational competency recording and reporting, which now provides a mechanism for allowing the Authority to gain the necessary assurance that such training and assessments are being maintained in line with requirements. In turn this provides assurance to the RMSG, as part of the Authority's risk management arrangements, that competency training is an effective mitigating control against several of the Authority risks.</p> <p>However it should be highlighted that the infancy of the system and the limited amount of data being held at the time of the audit prevented any detailed testing from being carried out around specific competency training areas, and for performance data in relation to overdue competency training to be meaningful. However, future audit reviews on risks which rely on training as a mitigating control will involve testing on individual training and competency records.</p> <p>The Project functioned effectively and efficiently, successfully meeting Phase 1 criteria for the delivery of an improved system for recording operational maintenance of competence. The Competency Dashboard offers users quick and easy functionality, provides improved audit/assurance reporting, whilst at the same time offered the most economical solution. Initial feedback from users on the new system has been positive.</p> <p>A comprehensive programme of training has been delivered to both system users and administrators. As with all systems, assurance taken from the system is reliant upon data entry being accurate and up to date, and therefore continuation of robust monitoring and oversight arrangements continue to be important, whereby challenge is provided at various levels of management, including via the Operational Training Interface Group, on competencies that are reported as having fallen out of date with their expected frequencies. Future planned system developments for the integration of training data into the Performance Management reporting framework, will further strengthen the assurance reporting process.</p>	<p>Substantial Assurance</p>
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8. REVIEW OF KEY RECOMMENDATIONS & EXTENSIONS OF TIME TO IMPLEMENT

No key recommendations were outstanding.

A request from management to extend the agreed implementation date for recommendations relating to the following audit has been agreed:

Data Quality (2019) – two *Significant* recommendations,

- Information Asset Owners to undertake periodic risk based monitoring, and
- Management to establish what data quality auditing and validation checks need to be undertaken and the frequency (on a risk basis) and incorporate it into the revised policy and associated procedures,

Revised completion dates agreed as 31 March 2021.

9. ADVICE, CONSULTANCY & OTHER WORK

None this period.

10 AUDIT PLAN DELIVERY 2020/21

Performance Indicators	18/19 Actual	19/20 Actual	20/21 Revised Target	20/21 Actual
Audits completed within the planned time allowance	100%	80%	90%	80%
Draft reports issued within 10 days of fieldwork completion	100%	90%	90%	80%
Client satisfaction in post audit questionnaires	100%	90%	90%	n/a
Chargeable audit days	155	130	140	60
QA compliance sample checks – percentage pass	100	100	100	100%
Planned Audits Completed	17	10	15	5
Planned Audits in Progress				1
Planned Audit Deferred		3		0

Planned Audits Postponed		4		0
Unplanned Work Completed		3		0
Unplanned Work in Progress				0



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Abridged Performance Management Report

Audit Committee

Date: 29 January 2021

Agenda Item:

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Submitted By: Corporate Services Manager

Purpose	To inform members of the Authority's performance against Key Performance Indicators where targets are not being achieved
Recommendations	That Members note the report
Summary	The Performance Management and Activity Report which is presented to the Full Authority outlines the Authority's performance against key performance indicators thereby enabling the Authority to measure, monitor and evaluate performance against targets. This report highlights the key performance indicators where targets are not being achieved.

Local Government (Access to information) Act 1972

Exemption Category: None

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Background papers open to inspection: None

Annexes: Abridged Performance Management Report

1 Introduction

- 1.1 The Performance Management and Activity Report, which is presented quarterly to the Full Authority meeting outlines the Authority's performance against key performance indicators thereby enabling the Authority to measure, monitor and evaluate performance against targets. These are detailed in three categories as shown below:
- o Key Performance Indicators
 - o Service Delivery Indicators
 - o Corporate Health Indicators
- 1.2 The Performance Management and Activity Report is monitored quarterly by Management Team and the Full Authority.
- 1.3 A traffic light system is used to provide a clear visual indicator of performance against each specific target and comparison is made with the same period the previous year to indicate whether performance has improved, remained the same or deteriorated.

2 Information

- 2.1 The attached report highlights the key performance indicators where the targets are not being achieved.
- 2.2 Information regarding reasons why performance is not at the required level, together with actions being taken to address this, is provided within the report.

3 Financial Implications

- 3.1 There are no financial implications arising from this report.

4 Human Resources and Diversity Implications

- 4.1 Measurement against key indicators on human resources and diversity are included in the Performance Management Report.

5 Health and Safety Implications

- 5.1 There are no health and safety implications associated with this report.

6 Environmental Implications

- 6.1 There are no environmental implications associated with this report.

7 Your Fire and Rescue Service 2019 – 2023 Priorities

- 7.1 This report links to all the Your Fire and Rescue Service priorities.

8 Conclusions

- 8.1 That Members note the report.

Performance Management and Activity Report (Abridged) 2020/21

Period covered: 1 April – 30 September 2020
Date Issued: 29 January 2021



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1. Introduction/Summary

The purpose of this report is to provide information regarding the performance of West Yorkshire Fire and Rescue Service against selected performance indicators for which performance has decreased compared with the same period the previous year.

The first section provides a summary of performance against all performance indicators detailed within the full Performance Management and Activity Report which is presented to Full Authority Committee meetings.

In this report, appropriate and progressive monthly statistics have been utilised to identify trends in performance, with corresponding information regarding the action being taken to address areas of under-performance.

All data, unless specified, is for the reporting period 1 April – 30 September 2020.

A traffic light system has been employed to provide straightforward visual indication of performance against each specific indicator.

If further data is available following the last Performance Management Report presented to the Full Authority, this has been included to show the performance trend.

2. Service Delivery Targets

	Not achieving target (by more than 10%)
	Satisfactory performance (within 10% of target)
	Achieving or exceeding target

	Actual Data (2010/11)	Three Year Average Target (2017/20)	Actual Data to date (2019/20)	Actual Data to date (2020/21)	Projected Performance Against Three Year Average (2020/21)	End of Year Projection (2020/21)
Arson	9396	6641	3382	3278	-1.8%	6520
Actual Rescues	859	862	526	411	-5.2%	818
Total Activity	34270	23987	12605	13035	8.1%	25928
Dwelling Fires	1549	1139	553	509	-11.1%	1012
Non-Domestic Building Fires	510	409	236	166	-19.2%	330
Prevalence of False Alarms	15753	10439	5356	5868	11.8%	11672
Fire-Related Injuries	292	191	94	80	-16.8%	159
Road Traffic Collisions	919	629	352	187	-40.9%	372
Malicious False Alarms	595	348	151	130	-25.7%	259

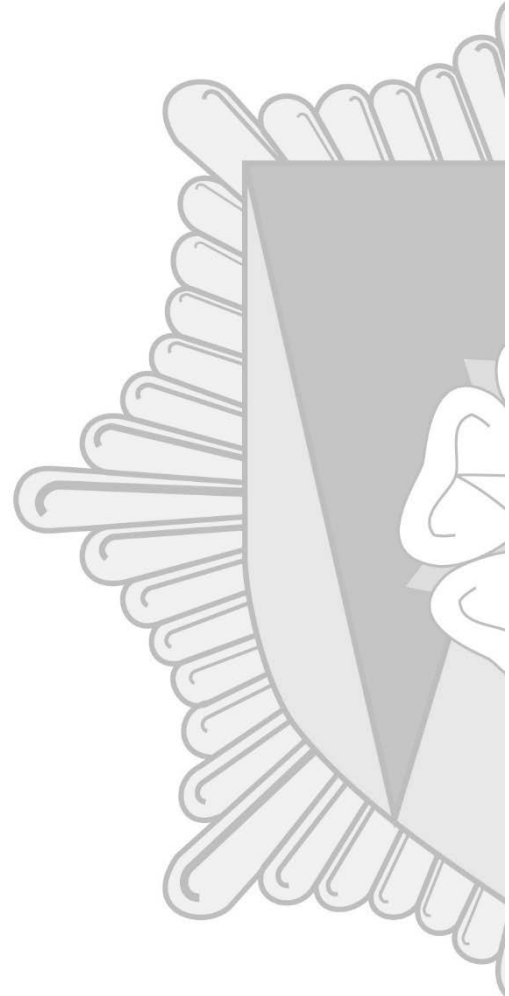
3. Service Delivery Indicators – Performance compared to previous year

Description	2019-20	2020-21
Accidental Dwelling Fires (per 10,000 dwellings)	4.65	4.45
Number of deaths arising from accidental fires in dwellings (per 100,000 population)	0.13	0.09
Number of Fire-Related Deaths (per 100,000 population) arising from fires other than Accidental Dwelling Fires	0.17	0.09
Number of Injuries arising from accidental fires in dwellings (per 100,000 population)	2.43	2.04
(a) Number of Serious Injuries(per 100,000 population)	0.09	0.35
(b) Number of Slight Injuries (per 100,000 population)	2.34	1.69
The percentage of dwelling fires attended where there was a working smoke alarm which activated	55.15%	55.80%
The percentage of dwelling fires attended where a working smoke alarm was correctly fitted but did not activate	18.44%	18.47%
The percentage of dwelling fires attended where a smoke alarm, because it was faulty or incorrectly sited, did not activate	4.88%	4.72%
The percentage of dwelling fires attended where no smoke alarm was fitted	21.52%	21.02%
Number of calls to malicious false alarms (per 1000 population) – attended	0.06	0.06
False alarms caused by automatic fire detection equipment (per 1000 non-domestic properties)	19.13	18.82
False alarms caused by automatic fire detection equipment (per 1000 domestic properties)	2.10	2.22
Fires in non-domestic premises (per 1000 non-domestic premises)	2.80	1.97
Number of Primary Fires (per 100,000 population)	71.17	66.67
Number of Fire Casualties – excluding Precautionary Checks (per 100,000 population)	3.77	3.29
Arson Incidents – All Deliberate Fires (per 10,000 population)	14.64	14.21
Arson Incidents – Deliberate Primary Fires (per 10,000 population)	3.04	2.59
Arson Incidents – Deliberate Secondary Fires (per 10,000 population)	11.62	11.62

4. Service Delivery Indicators – WYFRS not achieving target

All indicators achieved target in this reporting period.

PREVENTING PROTECTING RESPONDING



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Risk Management Strategy Group - update

Audit Committee

Date: 29 January 2021

Agenda Item:

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Submitted By: Director of Service Delivery

Purpose	To report risk management activity and developments reported to Risk Management Strategy Group (RMSG) in December 2020 and highlight any future risks or risk related areas.
Recommendations	That the Audit Committee note the report.
Summary	The overall responsibility of the RMSG is to maintain the Authority's risk management capabilities and to develop strategies to effectively manage new and existing risks. The RMSG meet on a quarterly basis and the group is chaired by the Deputy Chief Fire Officer/Director of Service Delivery. The RMSG is one element that supports the Authority's Code of Corporate Governance in terms of risk management and internal control.

Local Government (Access to information) Act 1972

Exemption Category: None

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Background papers open to inspection: Risk Management Strategy and Policy

Annexes: None

1 Introduction

- 1.1 The Authority's Risk Management Strategy and Policy provides a clear and defined strategy to enable risk management objectives to be met.
- 1.2 The Risk Management Strategy Group (RMSG) has the responsibility of maintaining the Authority's risk management capabilities and developing strategies to effectively manage new and existing risks. The group meet every three months at which time a summary of risk reviews that have occurred in the past three months is provided by each risk owner.
- 1.3 The group is also responsible for sharing and promoting experience of risk management and strategies across the Authority.

2 Information

2.1 The Risk Management Strategy Group last met in December 2020. The Audit Manager and the Risk and Insurance Manager from Kirklees Council attend RMSG meetings. The Audit Manager provides an update on recent internal audit activity.

2.2 Below is a summary of key areas:

- Between the September 2020 and December 2020 RMSG meetings, 16 risks have been reviewed by their respective owners.
- The risk 'Ineffective response and recovery to the Coronavirus COVID-19 pandemic leading to and impacting on staff, absence levels, health/safety/wellbeing, service delivery, the public/community, partners, finance, reputation and legal issues' is reviewed every three months. The current risk score is 12.
- As part of the COVID19 Service Recovery Plan and the strategic impact assessment, all corporate risks have recently been assessed for actual/potential impacts of COVID19 over different time periods. Any impact on corporate risks will be reviewed at each RMSG meeting and Management Team meetings if required.
- The score relating to the risk 'PLOS - Temporary loss of personnel (e.g. flu, industrial action) resulting in reduced levels of service' has increased from 6 (medium) to 16 (very high).
- The Member development session on risk management is to take place on 15 February 2021.

2.3 There are currently 54 risks split between the following categories. The table below shows movement over the past 12 months.

Risk Factor Score	March 2020	June 2020	September 2020	December 2020
Very High (15-25)	6	5	6	6
High (9-14)	20	22	22	22
Medium (4-8)	23	23	22	22
Low (1-3)	4	4	4	4
Total number of risks	53	54	54	54

The 6 'very high' risks are:

LRGG1.S - Loss or reduction in government grant.

WAFL1.S - Wide area flooding and swift water rescue.

MTAE1.S - Responding to a marauding terrorist attack event.

DSYS1.S - Inability to continue/deliver duty systems.

PLOS1.S - Temporary loss of personnel (e.g. flu, industrial action) resulting in reduced levels of service.

CYBS1.S - A digital attack or an unauthorised attempt to access WYFRS systems that impacts on the integrity, confidentiality or availability of systems and / or the information within them.

3 Financial Implications

3.1 There are no significant financial implications associated with this report.

4 Human Resources and Diversity Implications

4.1 There are no significant human resources and diversity implications associated with this report.

5 Health and Safety and Wellbeing Implications

5.1 There are no significant health and safety/wellbeing implications associated with this report.

6 Environmental Implications

6.1 There are no significant environmental implications associated with this report.

7 Your Fire and Rescue Service Priorities

7.1 This report supports the following priorities which have been identified in the 'Your Fire & Rescue Service 2020-2023' plan.

- Reduce the risks to the communities of West Yorkshire
- We will continue to develop ways of working which improve the safety & effectiveness of our firefighters



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Service Assurance

Audit Committee

Date: 29 January 2021

Agenda Item:

9

Submitted By: Director of Service Support

Purpose	To update Audit Committee on the internal Service Assurance Processes, the HMICFRS inspection framework and the introduction of the Fire Standards
Recommendations	That Members note the report.
Summary	This report gives an overview of service assurance activity.

Local Government (Access to information) Act 1972

Exemption Category: None

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Background papers open to inspection: None

Annexes: None

1 Introduction

1.1 This paper provides an overview of West Yorkshire Fire and Rescue Service's (WYFRS) assurance processes, Her Majesty's Inspectorate of Constabulary and Fire & Rescue inspection programme and introduces the new Fire Standards.

1.2 WYFRS recognises the importance of the provision of assurance and its responsibilities contained within the National Framework document. A dedicated team, the Service Improvement and Assurance Team (SIAT) provide high level assurance to Management Board and the Fire Authority through the management of the HMICFRS inspection process and the Fire Standards, and the implementation of internal Service Assurance processes.

2 Information

2.1 Recovery Group's Covid -19 Strategic Impact Assessment

2.1.1 SIAT worked as part of Recovery Team in order to undertake activities, set out in the C-19 WYFRS Recovery Plan. The plan outlined the 3 parts of the recovery phase as:

- Understanding the impact
- Identifying and Collating Learning
- Embedding and Promoting a 'New Normality'

2.1.2 In order to understand the impact of the C-19 pandemic, over a four-month period, the recovery team carried out 1:1 meetings, Departmental Review and Recovery questionnaires and a PESTLE analysis.



2.1.3 The outcome of these processes along with the results of the staff survey informed the Covid- 19 Strategic Impact Assessment, containing 221 statements involving 27 departments. SIAT assessed the potential impact of each statement on the Service, based on the content of the impact statement, against each of the HMICFRS pillars and against Governance.

2.1.4 SIAT worked through the impact statements with departments during 1:1 meetings, whilst the information was relevant, to capture and horizon scan the impacts both positive and negative and support departments in planning for the medium and long term. Any critical impacts identified are addressed during the weekly Crisis Management Meeting in the short term.

2.1.5 The Service Assurance self – assessment has been amended to revisit these plans to provide assurance that progress is being maintained in the identified areas.

2.2 Self-Assessment

2.2.1 This will be the third release of the annual self-assessment toolkit, it provides assurance on 3 separate levels, Direct, Risk, and Independent Assurance. Further revisions have been made in 2020 which support the work that has been carried out during Covid-19, it now includes questions around: -

- Covid-19 Assurance
- Covid-19 1:1's

- Covid-19 Assessment
- Strategic Impact Assessment – impact statements
- Anti-Racism Toolkit
- Smarter Working
- Data Protection – Information Governance

2.3 Timeline

2.3.1 The timeline below shows the expected activity for this process.

Date	Activity
Nov 2020	Toolkits updated and distributed
Dec 2020 – Jan 2021	Support owners complete and return their toolkits
Jan 2021	Self-assessment return deadline
Feb 2021	Evaluate returned self-assessment and report findings
	Share findings with specialist internal departments
Feb – May Sept – Dec	Departmental visits: Action plans, self-assessments audited, evidence captured, focused 'dip samples' further to identification of trends.

2.4 Service Delivery Process

2.4.1 Operational Assurance is essential to ensure that frontline services operate effectively and safely. The Service Delivery Assurance process details the requirements of departments and teams who have a direct or indirect impact on operational effectiveness. Where it is identified that an impact exists, there is an expectation that assurance is provided. This will be in liaison with the Service Improvement and Assurance Team (SIAT).

2.4.2 The main focus of operational assurance is on:

- Firefighter Safety
- Public Safety
- Category 1 and 2 Responder Safety
- Effectiveness
- Efficiency

2.4.3 Target date for framework, policies and implementation will be April 2021 (however, certain sections will already be continuing or be introduced before this time.)

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

2.5.1 In October 2020 HMICFRS carried out a themed Covid-19 inspection. The inspection commenced on Monday 5th October and was undertaken over a 2-week period via entirely remote activities. This inspection was commissioned outside the agreed inspection plan to focus on the initial response phase of C-19 April 2020 to June 2020.

2.5.2 The inspection methodology was focused around four areas:

- How Fire and Rescue Services are responding to C-19 outbreak
- What is working well
- What is being learned
- What changes are likely/ appropriate for the Fire and Rescue sector

2.5.3 The inspection consisted of:

- A maximum of 10 strategic interviews with department heads
- C-19 Data Collection
- C-19 Document Request
- Staff Survey
- Survey of FRS' Inc. 6 depts., (Prevention, Protection, Control Room, Response, HR, Finance)
- Survey of Rep Bodies

2.5.4 Findings from the C-19 inspection will be reported in the form of a letter with narrative rather than graded judgements in the form of a letter expected in January 2021.

2.5.5 Next Steps

2.5.5.1 HMICFRS inspections will resume in January 2021, WYFRS are in Tranche 2 with document request commencing in May/June 2021. The existing inspection programme and framework will be used but a more flexible approach will need to be taken due to the risks presented by the Covid-18 pandemic. Inspection activities may be carried out over a longer period of time and no two services will be the same, HMICFRS will work to specific circumstances and move between remote and face to face activities as required. HMICFRS continues to consult with FRS's to establish the best way forward.

2.6 Fire Standards

2.6.1 As part of the reforms for fire and rescue services in England, the Fire Standards Board has been established to introduce professional standards; with the intention being to help drive continual improvement across the service. Where there are clear industry benchmarks or existing standards, then the Fire Standards will direct services towards them.

2.6.2 The Fire and Rescue National Framework for England states that all fire and rescue authorities must implement the standards approved through this work and the HMICFRS inspectorate will have regard to these standards as part of their future inspections.

2.6.3 The SIAT department have produced a dedicated Fire Standards project that provides a consistent road map and one point of reference for the introduction of each standard into the service. SIAT will not own the Fire Standards but form a conduit to support working

groups, chaired by an appointed manager, and to establish links with existing work streams across the service.

2.6.4 The Fire Standards are being delivered in a phased approach. Below is the expected publication of the first Fire Standards:

Fire Standard	Expected publication in 2021
<i>Emergency Response Driver Training</i>	<i>February</i>
<i>Operational Competence</i>	<i>February</i>
<i>Operational Learning</i>	<i>February</i>
<i>Operational Preparedness</i>	<i>February</i>
<i>Code of Ethics</i>	<i>March</i>
<i>Community Risk Management Planning</i>	<i>March</i>
<i>Prevention</i>	<i>May</i>
<i>Fire Protection</i>	<i>May</i>

3 Financial Implications

- 3.1 There are no direct financial implications associated with this report although areas for development may require investment decisions which will be incorporated into each specific business case for funding

4 Human Resource and Diversity Implications

- 4.1 There are no direct human resource and diversity implications associated with this report although equality impact assessments form an integral part of considerations for all aspects of service delivery.

5 Health, Safety and Wellbeing Implications

- 5.1 Health and safety is a fundamental consideration for all aspects of service delivery. Identified issues relating the Health, Safety and well-being will be addressed and dealt with depending on their level of urgency either through the action plan or directly if required.

6 Environmental Implications

- 6.1 There are no environmental implications arising directly from this report.

7 Your Fire and Rescue Service Priorities

- Reduce the risks to the communities of West Yorkshire
- Continue to keep our firefighters safe
- Work smarter throughout the service
- Make better use of technology and innovate where possible
- Be more efficient across all areas of the service to make savings
- Support, develop and enable our people to be at their best

8 Conclusions

- 8.1 The internal service assurance processes continue to develop and become more established and the new Fire Standards will be incorporated into these internal process as they are released. The second round of HMICFRS inspections will look a little different due to C-19 restrictions but through regular contact with our SLO/HMICFRS we will be prepared for the new ways of working.
- 8.2 Findings from our HMICFRS C-19 inspection will be reported back to members in April 2021.



**Annual Audit Letter on the
2019/20 External Audit
West Yorkshire Fire and Rescue
Service**

January 2021

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1. Letter to Members

The Members

West Yorkshire Fire and Rescue Service

Oakroyd Hall

Bradford Road

Birkenshaw

BD11 2DY

11 January 2021

Dear Members of the Fire and Rescue Authority

We have pleasure in setting out this Annual Audit Letter to summarise the key matters arising from the work that we have carried out in respect of the audit for the year ended 31 March 2020.

Although this letter is addressed to the Members of West Yorkshire Fire and Rescue Service (“the Authority”), it is also intended to communicate the significant issues we have identified, in an accessible style, to key external stakeholders, including members of the public. The letter will be published on the Public Sector Audit Appointments Ltd (PSAA) website at www.psa.co.uk and on the Authority’s website.

This letter has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by Public Sector Audit Appointments Ltd. This is available from www.psa.co.uk.

This letter has been discussed and agreed with the Chief Finance and Procurement Officer. A copy of the letter will be provided to all Members.

This is our second year as the external auditor of the Authority following the transition of the PSAA contract in 2018/19. Our aim is to deliver a high standard of audit, delivering insights identified from our audit work to make a positive and practical contribution, which supports the Authority’s own agenda. We would like to take this opportunity to recognise and thank the efforts made by the Authority’s Finance Team in working constructively with our audit team to successfully deliver the audit in line with the national timetable.

Paul Hewitson

Audit Director

for and on behalf of Deloitte LLP

Newcastle Upon Tyne, United Kingdom

2. Key Messages

Statement of Accounts	
<p>Unqualified opinion issued on 30 November 2020</p>	<p>In 2019/20 the Authority was required to prepare its Statement of Accounts in accordance with International Financial Reporting Standards (“IFRS”) as defined in the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 and other relevant legislation.</p> <p>The Statement of Accounts was prepared and audited in accordance with the agreed timetable.</p> <p>Through our audit planning we identified three significant risks of material misstatement which we addressed through our audit. These were:</p> <ul style="list-style-type: none"> • valuation of property assets; • management override of controls; and • completeness of expenditure. <p>Materiality for the Authority’s accounts was set at £2,120,000.</p> <p>We issued an unqualified audit opinion on the Statement of Accounts on 30 November 2020.</p>
Value for Money (VfM) conclusion	
<p>Unqualified opinion issued on 30 November 2020</p>	<p>We are required to base our statutory VfM conclusion on the criteria specified by the National Audit Office, namely whether the Authority has in place proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.</p> <p>We issued an unqualified opinion in respect of the VfM conclusion on 30 November 2020.</p>
Annual Governance Statement	
<p>All relevant governance matters were adequately and appropriately disclosed</p>	<p>We have considered the contents of the Annual Governance Statement and confirmed that the Statement complied with guidance and that it adequately and appropriately disclosed all relevant governance matters arising in the year that we are aware of.</p>

2. Key Messages (continued)

Whole of Government accounts	
The Authority is below the audit threshold	<p>The Authority prepares a consolidation pack to support the production of Whole of Government Accounts by HM Treasury. We are not required to review this pack as the Authority falls below the threshold where an audit is required.</p> <p>As required we have confirmed this fact to the National Audit Office by the national deadline of 4 December 2020.</p>
Financial reporting systems	
Minor weaknesses in internal control were identified	<p>During our audit we identified a small number of areas for improvement in internal controls and procedures including two recommendations relating to the areas of significant risk outlined above.</p> <p>The two recommendation relating to the significant risk areas concerned</p> <ul style="list-style-type: none"> • a recommendation that management revise their approach to the componentisation of assets when calculating depreciation; and • a recommendation that management revise their approach to identifying and valuing items of expenditure to be accrued at the year end and the process for determining the classification between Creditors and Accruals.

3. Responsibilities and Scope

Responsibilities of the Authority and Auditors

The Authority is responsible for maintaining the control environment and accounting records and preparing the accounting statements in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 based on IFRS and other relevant legislation.

We are appointed as the Authority's independent external auditors by PSAA, the body responsible for appointing auditors to local public bodies in England.

As the Authority's appointed external auditor, we are responsible for planning and carrying out an audit that meets the requirements of the National Audit Office's Code of Audit Practice ("the Code"). Under the Code, we have responsibilities in two main areas:

- the Authority's accounts; and
- whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion).

The scope of our work

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) as adopted by the UK Auditing Practices Board ("APB"). The audit opinion on the accounts reflects the financial reporting framework adopted by the Authority, being the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 based on IFRS and other relevant legislation.

We conducted our work on the value for money conclusion in line with guidance issued by the National Audit Office in April 2020, in respect of local government bodies for the financial year ended 31 March 2020.

4. Audit of the Accounts

Statement of Accounts

Unqualified opinion issued on 30 November 2020

Before we give our opinion on the accounts, we are required to report to Those Charged with Governance any significant matters arising from the audit. A detailed report was discussed with the members of the Audit Committee on 23 October 2020, with a final report being issued on 30 November 2020.

Materiality for the Authority's accounts was set at £2,120,000 which equated to 2% of gross expenditure. The level of materiality shapes and informs the extent of the audit work we undertook, including review of balances which are below this which exhibit particular characteristics. This assists in the identification of transactions and balances which were likely to give rise to material misstatements, and in determining the extent of work undertaken in respect of the areas we judged to contain such risks.

Our Report to Those Charged with Governance, in the case of the Authority, the Audit Committee, set out the details of any errors identified during the audit which were greater than £106,000, our clearly trivial threshold.

The final Statement of Accounts upon which we issued our opinion contained five residual errors which remained unadjusted. We have included further details on these residual errors later in this report. Our audit work was designed to specifically address the following significant audit risks:

- Whether property subject to revaluation in the year had been correctly stated – We obtained an understanding of the key controls in place around the revaluation of the Authority's property and performed detailed testing of the revalued assets including seeking the view of our internal valuation specialists as to whether the methodology employed by the Authority appeared reasonable. We identified an error in relation to the componentisation of buildings and have forecast that an additional £387,000 of depreciation should have been charged if componentisation was applied. In addition to reporting this error we have made a recommendation to improve the process for future years.
- Whether the Authority's controls had been bypassed by management in the preparation of the financial statements (Management override of controls) – We obtained an understanding of the key controls in place around journal entries and judgements made in the preparation of the financial statements. Using Computer Assisted Auditing Tools we identified a number of journals which exhibited characteristics of audit interest and performed detailed testing on these journals and had nothing to report in respect of these journals. We also reviewed the key accounting estimates and judgements for bias.
- Whether the Statement of Accounts contained all of the expenditure relating to the year ended 31 March 2020 (Completeness of expenditure) – We obtained an understanding of the controls in place that management rely upon to ensure that year-end transactions are correctly brought into (accrued) the expenditure reported for the year. We selected a sample of items recorded in expenditure in April and May 2020 and confirmed whether they had been included in or excluded from the total reported in 2020. We noted two errors within our testing which we estimated indicated that expenditure reported in the statement of accounts was overstated by £193,000. In addition to reporting this error we made recommendations to improve the process to identify these items in future years.

4. Audit of the Accounts (continued)

Statement of Accounts (continued)	
	<p>We issued an unqualified opinion on the Authority's 2019/20 accounts on 30 November 2020, in accordance with the deadline set for local government bodies. Our opinion confirms that the accounts present a true and fair view of the financial position of the Authority as at 31 March 2020 and its income and expenditure for the year then ended. In accordance with the guidance issued by the Royal Institute of Chartered Surveyors relating to valuation of property as at 31 March 2020, in note 15 of the financial statements the Authority highlighted the increased level of uncertainty attached to the estimated value of the assets at the year end. We agreed with the Authority's assessment that there was a higher level of uncertainty attached to these valuations and accordingly we drew attention to this judgement in our audit opinion through the inclusion of an emphasis of matter paragraph. Our opinion is not modified in respect of this matter.</p>
Key issues from work performed on the Statement of Accounts	
<p>We identified five uncorrected misstatements</p>	<p>We received a set of draft accounts in line with the agreed deadline, which were supported by working papers.</p> <p>Through our audit we identified a range of errors which we communicated to the Authority for correction.</p> <p>Following corrections the final Statement of Accounts upon which we issued our opinion contained five remaining errors:</p> <p>The first error is the brought forward effect of the prior year error in our expenditure testing. This estimated the impact of six omissions identified in the 2019 audit which we estimated would have decreased expenditure in 2020 by £273,000;</p> <p>The second, as referred above arose from our testing on whether all expenditure for the year had been reported. Based upon the two errors identified we estimated that there was a likely error of £193,000 which would also have decreased the expenditure reported in the year;</p> <p>The third concerns the recognition of the McCloud judgement and its impact on the liability recognised in respect of the Authority's membership of the Local Government Pension Scheme. The McCloud judgement significantly increased the value of the liability recognised in the 2019 statement of accounts however, during 2020, the Pension Fund was able to refine its understanding and estimation of the impact which resulted in a reduction to the liability of £404,000;</p> <p>The fourth relates to an error identified by the West Yorkshire Pension Fund auditor in relation to the valuation of private equity assets held by the Pension Fund on behalf of the Authority. The error identified would increase expenditure by £336,000; and</p> <p>The final error, as referred above arose from our testing on the valuation of property, plant and equipment. This relates to an increase in depreciation charge from applying componentisation on buildings and would increase expenditure by £387,000.</p>

4. Audit of the Accounts (continued)

Annual Governance Statement	
The Statement includes all appropriate disclosures and is consistent with our understanding of the Authority's governance arrangements	<p>As appointed auditors, we review the Annual Governance Statement ("AGS") and comment on any inconsistencies noted between the AGS and our audit work, other work relating to the Code of Audit Practice, and our understanding of the Authority's Governance arrangements.</p> <p>We have concluded that the Statement includes all appropriate disclosures and is consistent with our understanding of the Authority's governance arrangements and internal controls derived from our audit work.</p>
Powers and Duties	
We did not receive any questions about the accounts or make any public interest reports	<p>Under the Local Audit and Accountability Act 2014, auditors have specific powers and duties, including to give electors the opportunity to raise questions about the accounts and to consider and decide upon objections received in relation to the accounts. We did not receive any such questions or objections.</p> <p>We have a duty to consider whether to issue a report in the public interest about something we believe the Authority should consider, or if the public should know about.</p> <p>We have not identified any matters that would require us to issue a public interest report.</p>
Whole of Government accounts return	
The Authority is below the audit threshold	<p>The Authority prepares a consolidation pack to support the production of Whole of Government Accounts by HM Treasury. We are not required to review this pack as the Authority falls below the threshold where an audit is required. As required by the guidance we have confirmed this with the National Audit Office by the national deadline of 4 December 2020.</p>
Audit Certificate	
We have issued our certificate	<p>We issued our certificate on 30 November 2020. The certificate confirms that we have concluded the audit for 2019/20 in accordance with the requirements of the Local Audit & Accountability Act 2014 and the Code of Audit Practice.</p>

5. Value for Money

Background and approach

The approach to our audit work in relation to value for money (“VFM”) was specified by the National Audit Office.

We are required to satisfy ourselves that the Authority has made proper arrangements for securing financial resilience and economy, efficiency and effectiveness in its use of resources.

We would emphasise that it is the arrangements in place that we are required to assess, and not the actual decisions made by the Authority.

We planned our local programme of work based on our risk assessment, which was informed by a series of risk factors determined by the National Audit Office.

We did not identify any significant risks as part of our risk assessment.

The VFM conclusion

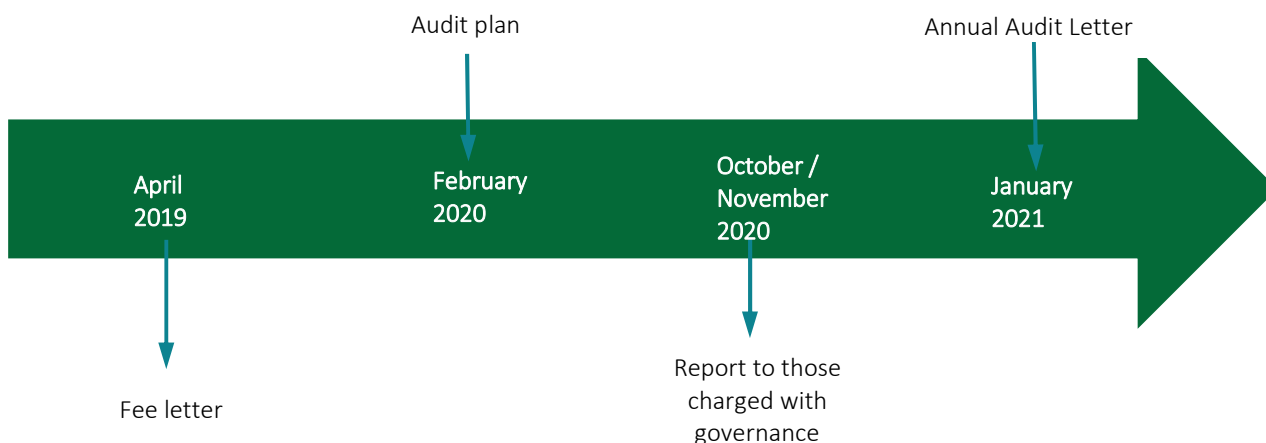
Having performed our work in line with guidance received from the National Audit Office we issued an unqualified value for money conclusion for the 2019/20 financial year.

6. Other Matters

Reports issued

Reports issued during the course of the 2019/20 audit included:

- Audit Fee letter;
- Annual Audit Plan;
- The Report to Those Charged with Governance on the 2019/20 audit of the Authority; and
- This Annual Audit Letter.



Analysis of audit fees

Audit fees charged are as follows:

	2019/20 £	2018/19 £
Scale fees for the audit of the Authority's annual accounts, VfM conclusion and whole of government accounts return	27,782	37,782

As set out in our Report to Those Charged with Governance, the issues encountered during the audit resulted in more audit work being required than was originally planned. Consequently we are currently in negotiations with management to agree an appropriate sum of additional audit fees to reflect the additional work that was required.

Independence and objectivity

In our professional judgement, our policies and safeguards that are in place ensure that we are independent within the meaning of all regulatory and professional requirements and that the objectivity of the audit partner and audit staff is not impaired.

We confirm that we comply with FRC's Ethical Standards for Auditors and that, in our professional judgement, we and, where applicable, all Deloitte network firms are independent and our objectivity is not compromised.

In our opinion there are no inconsistencies between FRC's Ethical Standards for Auditors and the Authority's policy for the supply of non-audit services or any apparent breach of that policy. We continue to review our independence and ensure that appropriate safeguards are in place including, but not limited to, the rotation of senior partners and professional staff and the involvement of additional partners and professional staff to carry out reviews of the work performed and to otherwise advise as necessary.

We are required to provide written details of all relationships (including the provision of non-audit services) between us and the organisation, its board and senior management and its affiliates, including all services provided by us and the DTTL network to the Authority, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on our objectivity and independence.

We are not aware of any relationships which are required to be disclosed.

No matters impacting our independence have arisen during the year.

Statement of Responsibilities

The Statement of Responsibilities of Auditors and Audited Bodies issued by PSAA explains the respective responsibilities of auditors and of the audited body and this report is prepared on the basis of, and our audit work is carried out in accordance with, that statement.

The matters raised in this report are only those that came to our attention during our audit and are not necessarily a comprehensive statement of all weaknesses that exist or of all improvements that might be made. You should assess recommendations for improvements for their full implications before they are implemented. In particular, we would emphasise that we are not responsible for the adequacy and appropriateness of the national data and methodology supporting our value for money conclusion as they are derived solely from the National Audit Office.

This report has been prepared for the Members, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other party.

An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the Annual Audit Letter since first published. These matters are the responsibility of the Authority but no control procedures can provide absolute assurance in this area.



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