



West Yorkshire
Fire & Rescue Authority

Oakroyd Hall, Bradford Road, Birkenshaw,
West Yorkshire, BD11 2DY

Tel: 01274 682311 Fax: 01274 651315

OFFICIAL

Members of the Audit Committee

19 January 2023

Our Ref:

Your Ref:

Dear Councillor

AUDIT COMMITTEE – 27 January 2023

You are requested to attend a meeting of the Audit Committee of the WEST YORKSHIRE FIRE AND RESCUE AUTHORITY on **Friday 27 January 2023** which will be held in the Conference Room, Oakroyd Hall, FSHQ, commencing at **10.30 am**. The agenda for the meeting is attached.

If you are unable to attend, please let me know at your earliest convenience so that arrangements may be made for a substitute to attend in your place.

Should you require any further information, please do not hesitate to let me know.

Yours faithfully

Martin McCarthy

Clerk and Monitoring Officer

Martin.mccarthy@westyorksfire.gov.uk

COUNCILLORS:

LABOUR

J Illingworth (VC)

K Renshaw (C)

S Tulley

A Zaman*

CONSERVATIVE

D Hall

*E-papers

LIBERAL DEMOCRAT

R Downes*

Agenda

Audit Committee

Date: 27 January 2023

Time: 10:30

Venue: FSHQ

Members of the Audit Committee are hereby summoned to attend the meeting which will be held on 27/01/2023 to transact the business set out below.

1 Minutes of last meeting held on 21 October 2022 (p 5)

(Enclosed)

2 Matters arising

3 Urgent items

To determine whether there are any additional items of business which, by reasons of special circumstance, the Chair believes should be considered at the meeting.

4 Admission of the public (p 9)

The Committee is asked to consider whether, by resolution, to exclude the public from the meeting during the items of business marked with 'E' reference, because of the possibility of the disclosure of exempt information.

5 Declarations of interest (p 11)

To consider any declarations of disclosable pecuniary interest in relation to any item of business on the agenda.

To note

6 Abridged Performance Management Report (p 13)

(Enclosed)

7 Risk Management Strategy Group Quarterly Update (p 23)

(Enclosed)

8 Internal Audit Quarterly Report (p 27)

(Enclosed)

The taking of photographs, filming and sound recording of this meeting is allowed with the exception of any items marked with an "E" reference or where Councillors vote to exclude the public at any other time during the meeting.

Those persons present at the meeting who are invited to make spoken contributions should be aware that they may be filmed or sound recorded and their continued presence signifies agreement. People located in public seats will not be photographed, filmed or recorded without consent.



Minutes

Audit Committee

Date: 21 October 2022

Time: 10:30

Venue: FSHQ

Present: Cllrs K Renshaw (in the Chair), R Downes, D Hall, J Illingworth, S Tulley and R Wood (as substitute for A Zaman)

In Attendance: S Straker - Kirklees KMC (internal audit), P Hewitson – Deloitte (external audit)

Apologies: Cllr A Zaman

11 Minutes of last meeting held on 29 July 2022

RESOLVED

That the Minutes of the meeting held on 29 July 2022 be signed by the Chair as a correct record.

12 Matters arising

None

13 Urgent items

None

14 Admission of the public

That the public and press be excluded from the meeting during consideration of the item of business specified below as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during this item, there would be disclosure to them of exempt information of the descriptions specified.

AGENDA ITEM NO.	TITLE OF REPORT	MINUTE NUMBER (to be added)	Description of exempt information by reference to the paragraph number in Schedule 12a of the Local Government Act 1972
E9	Risk Management and Business Continuity Annual Report	19	Paragraph 3 – financial or business affairs

15 Declarations of interest

None

16 Abridged Performance Management Report

Consideration was given to a report of the Director of Corporate Services which informed members of the Authority's performance against Key Performance Indicators where targets are not being achieved during the period 1 April - 30 June 2022.

Members were advised that the Service Delivery Target for Arson was not being met due to the unprecedented number of fires that occurred over the heatwaves experienced in the UK and worldwide in summer 2022 and that a full report will be presented to the next Community Safety Committee.

RESOLVED

That the report be noted.

17 Internal Audit Quarterly Report

The Chief Finance and Procurement Officer submitted a report which provided a summary of the audit activity for the period July to September 2022. Members were informed that in the period one audit has been completed; CIPFA Financial Management Code Compliance which received a substantial assurance opinion. In addition, the internal auditor has completed the National Fraud Initiative for 2022/23 on our behalf.

There is also one Business Risk Audit on Attendance Management that is currently in progress.

RESOLVED

That the report be noted.

18 External Audit Plan

The Chief Finance and Procurement Officer presented the External Audit Planning Report for the year ending 31 March 2022. The report noted 3 significant risks as follows:

Risk 1 – Property Valuation, medium level of management judgement

Risk 2 – Completeness of Expenditure, high level of management judgement

Risk 3 – Management Override of Controls, medium level of management judgement

The appendix to the report now submitted detailed the uncorrected misstatements identified in 2021 which were all well below the materiality figure.

Deloitte confirmed they will no longer be auditors for WYFRA from April 2023, this will be Grant Thornton. Deloitte plan to complete the audit by 31 March 2023 and there will be a transition period which they will accommodate.

RESOLVED

- a) That the report be noted
- b) That materiality be approved as determined at £105k
- c) That the significant risks as noted in the report now submitted are approved
- d) That the External Audit Plan be approved.
- e) That the Audit Committee scheduled for 25 November 2022 be cancelled as the Statement of Accounts will not be available.

19 Risk and Business Continuity Management Report

This item was considered exempt information under Schedule 12A (1) of the Local Government Act 1972 Paragraph 3 – Financial or Business Affairs.

Members considered a report submitted by the Director of Corporate Services which presented the current Risk Management Matrix and Business Continuity Strategy for approval. The report detailed the risk management activity during 2021/22 and the further development of risk and business continuity in 2022/23. It was brought to members attention that the Internal Audit Annual Report 2021/2022 concluded that the Authority's governance, risk management arrangements and internal control environment were effective and robust during the financial year to 31 March 2022.

An updated Business Continuity Management Strategy and Policy was attached at appendix b to the report now submitted, which ensures alignment with the international standard ISO 22301 Security and Resilience - Business Continuity Management Systems – requirements.

The report also gave an annual update on the Risk Management Matrix, which was attached at appendix a to the report now submitted. There are currently nine risks which have attracted a very high risk rating, with eighteen risks identified as high, a further twenty-four risks presenting a medium risk level and three risks presenting a low risk level.

Members were assured that the risk matrix is reviewed monthly and given a brief overview of how the risk matrix feeds into Business Continuity.

RESOLVED

- a. That the report is noted
- b. That the current Risk Management Matrix and the revised Business Continuity Strategy are approved

Chair

AGENDA ITEM NO 4

DRAFT

EXCLUSION OF THE PUBLIC - SECTION 100A LOCAL GOVERNMENT ACT 1972

RESOLVED : That the public be excluded from the meeting during the item of business specified below as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during this time, there would be disclosure to them of exempt information of the description respectively specified.

AGENDA ITEM NO.	TITLE OF REPORT	MINUTE NUMBER (to be added)	Description of exempt information by reference to the paragraph number in Schedule 12a of the Local Government Act 1972
None			

Disclosure of Disclosable Pecuniary Interests (DPI's)

- 1 Members present at the meeting who are aware that they have a DPI in a matter being considered must disclose the details of that DPI to the meeting unless it is already recorded on the Authority Members DPI Register.
- 2 Any Member with a DPI may not participate in any discussion or vote and under Authority Standing Orders is required to leave the meeting during any discussion or vote unless they have been granted a dispensation from exclusion from the meeting by the Executive Committee or in certain circumstances by the Monitoring Officer before any consideration of the item by the committee starts.

Footnote:

- (1) Members are referred to the Authority Constitution and to the provisions of sections 30-34 of the Localism Act 2011 and to the statutory regulations made thereunder which define the meaning of a DPI.
- (2) Members are reminded of the potential criminal sanctions and disqualification provisions under Section 34 of the Act applicable to breaches of disclosure and non- participation requirements.
- (3) A Member with a sensitive DPI need not disclose the details of that interest with the Monitoring Officers agreement but must still disclose the existence of a DPI and must withdraw from the meeting.

Application for dispensation to vote

Attached is a blank "application for dispensation" form which Members of the Committee may use to seek the grant of an individual dispensation on any item on the agenda.

Where possible, the completed form should be returned to the Monitoring Officer in advance of the meeting so that he can consider whether a dispensation should be granted. Block dispensations affecting a significant number of Members will be referred to the Executive Committee for approval, if time permits.

West Yorkshire Fire and Rescue Authority

Sections 31 and 33 Localism Act 2011

Member Participation & Voting Dispensation Request

Section for completion by Member

Name of Member:

Correspondence/ email address:

Dispensation applied for: (1) Participation (2) Voting (3) Both

Details of Meeting/agenda Item:

Full details of why you are applying for a dispensation:

Signed:

Dated:

Please send your application to the Deputy Monitoring Officer at Fire & Rescue Service Headquarters Birkenshaw BD11 2DY –
nicky.houseman@westyorkfire.gov.uk

Section for completion by Monitoring Officer:

No in Register:

Received on:

Granted/ Refused

Reasons for refusal / Statutory Grounds relied upon for grant:



OFFICIAL

Abridged Performance Management Report

Audit Committee

Date: 27 January 2023

Agenda Item:

06

Submitted By: Head of Corporate Services

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

Contact Officer:

Alison Davey
Head of Corporate Services
alison.davey@westyorksfire.gov.uk
T: 01274 682311

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 Legal Implications

- 4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution.

5 Human Resource and Diversity Implications

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

6 Equality Impact Assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? (EIA guidance and form 2020 form.docx (westyorksfire.gov.uk))	No
Date EIA Completed	DD/MM/YY
Date EIA Approved	DD/MM/YY

The EIA is available on request from the report author or from diversity.inclusion@westyorksfire.gov.uk

7 Health, Safety and Wellbeing Implications

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

8 Environmental Implications

8.1 There are no environmental implications associated with this report.

9 Your Fire and Rescue Service Priorities

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

10 Conclusions

10.1 That Members note the report.

Performance Management and Activity Report (Abridged) 2022/23

Period covered: 1 April – 30 September 2022
Date Issued: 27 January 2023



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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 2022.

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 (2012/13)	Three Year Average Target (2019/22)	Actual Data to date (2021/22)	Actual Data to date (2022/23)	Performance Against Three Year Average (2022/23)	End of Year Projection (2022/23)
Arson	8723	6383	3249	4576	43.0%	9127
Actual Rescues	821	1621	621	570	-29.9%	1137
Total Activity	30103	24209	13278	15637	28.8%	31189
Dwelling Fires	1492	1144	557	543	-5.3%	1083
Non-Domestic Building Fires	493	406	179	172	-15.5%	343
Prevalence of False Alarms	14714	10558	5722	5980	13.0%	11927
Fire-Related Injuries	282	181	76	68	-25.1%	136
Road Traffic Collisions	874	645	294	299	-7.5%	596
Malicious False Alarms	641	358	192	182	1.4%	363

3. Service Delivery Indicators – Performance compared to previous year

Description	2021-22	2022-23
Accidental Dwelling Fires (per 10,000 dwellings)	4.83	4.67
Number of deaths arising from accidental fires in dwellings (per 100,000 population)	0.13	0.04
Number of Fire-Related Deaths (per 100,000 population) arising from fires other than Accidental Dwelling Fires	0.09	0.09
Number of Injuries arising from accidental fires in dwellings (per 100,000 population)	2.43	1.95
(a) Number of Serious Injuries (per 100,000 population)	0.69	0.22
(b) Number of Slight Injuries (per 100,000 population)	1.73	1.73
The percentage of dwelling fires attended where there was a working smoke alarm which activated	59.07%	57.46%
The percentage of dwelling fires attended where a working smoke alarm was correctly fitted but did not activate	17.59%	21.31%
The percentage of dwelling fires attended where a smoke alarm, because it was faulty or incorrectly sited, did not activate	2.69%	2.91%
The percentage of dwelling fires attended where no smoke alarm was fitted	20.65%	18.21%
Number of calls to malicious false alarms (per 1000 population) – attended	0.08	0.08
False alarms caused by automatic fire detection equipment (per 1000 non-domestic properties)	19.25	18.68
False alarms caused by automatic fire detection equipment (per 1000 domestic properties)	2.24	2.23
Fires in non-domestic premises (per 1000 non-domestic premises)	2.12	2.09
Number of Primary Fires (per 100,000 population)	65.80	71.56
Number of Fire Casualties – excluding Precautionary Checks (per 100,000 population)	3.08	2.96
Arson Incidents – All Deliberate Fires (per 10,000 population)	14.08	19.86
Arson Incidents – Deliberate Primary Fires (per 10,000 population)	2.39	2.87
Arson Incidents – Deliberate Secondary Fires (per 10,000 population)	11.69	16.99

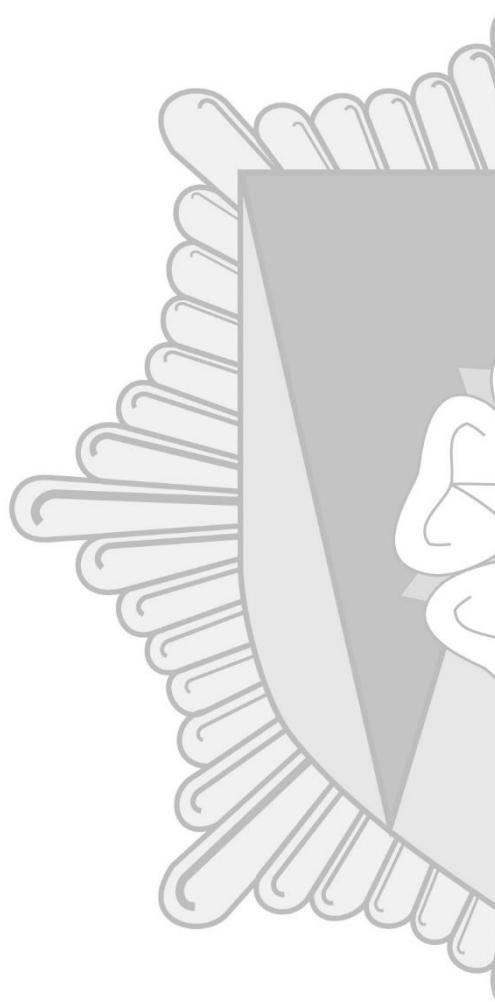
4. Service Delivery Indicators – WYFRS not achieving target

Description	Cumulative Year to Date Performance												Performance in 2021-22
	To 30 Apr	To 31 May	To 30 Jun	To 31 Jul	To 31 Aug	To 30 Sep	To 31 Oct	To 30 Nov	To 31 Dec	To 31 Jan	To 28 Feb	To 31 Mar	
%age of dwelling fires where a smoke alarm was fitted but did not activate	16.46% (13)	19.9% (39)	21.69% (59)	24.72% (89)	25.38% (116)	24.23% (133)							20.29% (113)
Comments: This is not an indicator of poorly maintained smoke detectors. Advice provided by WYFRS during safe and well visits means fires are more likely to be restricted to room of origin, people working from home more frequently leads to fires being discovered before they can fully develop. We have also seen a spike in dwelling fires which have developed outside the property related to the hot weather, this minimises smoke spread into the property and prevent the smoke alarms actuating.													

Description	Cumulative Year to Date Performance												Performance in 2021-22
	To 30 Apr	To 31 May	To 30 Jun	To 31 Jul	To 31 Aug	To 30 Sep	To 31 Oct	To 30 Nov	To 31 Dec	To 31 Jan	To 28 Feb	To 31 Mar	
Arson - Primary Fires	0.44 (101)	0.92 (213)	1.33 (307)	1.92 (443)	2.52 (582)	2.87 (661)							2.39 (551)
Comments: The hot dry conditions we have experienced over the summer resulted in fires which developed far more quickly than normal. Fires which would normally be manged by two or three appliances required five appliances and above. This results in them being classified as primary fires. Through September we also saw a spate of vehicle and property fires which were thought to be deliberately ignited as part of organised criminal activity.													

Description	Cumulative Year to Date Performance												Performance in 2021-22
	To 30 Apr	To 31 May	To 30 Jun	To 31 Jul	To 31 Aug	To 30 Sep	To 31 Oct	To 30 Nov	To 31 Dec	To 31 Jan	To 28 Feb	To 31 Mar	
Arson - Secondary Fires	2.71 (625)	4.92 (1135)	7.75 (1788)	10.84 (2501)	14.84 (3424)	16.99 (3920)							11.69 (2698)
Comments: Between July and September we experienced extremely hot and dry conditions which included the first red warning for heat seen in the UK. The spike in secondary fires is reflected across the country and over this period we saw five times more secondary fires when compared with the same period last year. As the effects of climate change become more noticeable it is likely we will continue to see spikes in secondary fires over the summer period.													

PREVENTING PROTECTING RESPONDING



West Yorkshire Fire and Rescue Service
Oakroyd Hall
Birkenshaw
Bradford BD11 2DY



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Risk Management Strategy Group Update

Audit Committee

Date: 27 January 2023

Agenda Item:

07

Submitted By: Director of Corporate Services

Purpose	To report risk management activity and developments reported to Risk Management Strategy Group (RMSG) in September and December 2022 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

Contact Officer: John Tideswell, Risk Management Officer
Corporate Services
01274 682311 ext 670729
John.tideswell@westyorksfire.gov.uk

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 2022. The Audit Manager from Kirklees Council attends RMSG meetings and provides an update on recent internal audit activity.

2.2 Below is a summary of key areas:

- Between the September and December 2022 RMSG meetings, 25 risks have been reviewed by their respective owners.
- The risk relating to the Headquarters development costs has been removed – HQDC1.S – Price increase during RIBA Stages 3 & 4 due to the volatility of the current environment affecting the building and refurbishment costs of buildings prior to receiving a Guaranteed Maximum Price (GMP) from a Design and Build (D&B) contractor, as the GMP has now been agreed.
- Risk PAY1.S – 'Pay increases in excess of the amount included in contingencies' score has increased from 12 to 16.
- Risk ECON1.S – 'Impact on the Authority of the national and international economic downturn' score has increased from 9 to 16 due to inflation which is causing pressure on pay awards and the cost of goods and services. High inflation is expected to remain until the first quarter of 2023, so may be a temporary increase.
- Risk INDA1.S – 'Industrial dispute resulting in reduced levels of service and effect on reputation' score has increased from 16 to 20 due to the potential of industrial action relating to the recent pay offer.
- DSYS1.S – 'Inability to continue/deliver duty systems' has decreased from 16 to 12 due to the transition of the three DCCC stations to DC stations.

2.3 There are currently 44 risks split between the following categories. The table below shows movement over the past 12 months.

Risk Factor Score	April 2022	June 2022	September 2022	December 2022
Very High (15-25)	5	7	8	8
High (9-14)	21	20	19	19
Medium (4-8)	25	24	16	16
Low (1-3)	4	3	1	1
Total number of risks	55	54	44	44

The 8 'very high' risks are:

LRGG1.S - Loss or reduction in government grant.

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

INDA1.S - Industrial dispute resulting in reduced levels of service and effect on reputation.

ECON1.S - Impact on the Authority of the national and international economic downturn.

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

PAY1.S - Pay increases in excess of the amount included in contingencies

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.

PRMS1.S - Failure to provide an effective commercial premises risk management system for operational response, which could have a significant impact on fire fighter safety, operational effectiveness and organisational reputation.

2.4 At the meeting in September all risks scoring 6 or less were reviewed based on the fact that the risks had not occurred in the past 3 years and/or they had an 'unlikely' likelihood rating. Out of 33 risks it was agreed that 10 risks could be removed and archived. These 10 risks would be reviewed again in 12 months time.

3 Financial Implications

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

4 Legal Implications

4.1 The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution.

5 Human Resource and Diversity Implications

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

6 Equality Impact Assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? (EIA guidance and form 2020 form.docx (westyorksfire.gov.uk))	Yes/ No
Date EIA Completed	DD/MM/YY
Date EIA Approved	DD/MM/YY

The EIA is available on request from the report author or from diversity.inclusion@westyorksfire.gov.uk

7 Health, Safety and Wellbeing Implications

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

8 Environmental Implications

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

9 Your Fire and Rescue Service Priorities

9.1 This report supports the following priorities which have been identified in the 'Your Fire & Rescue Service 2022-2025' plan.

- Plan and deploy our resources based on risk
- Improve the safety & effectiveness of our firefighters

10 Conclusions

10.1 That the Audit Committee note the report.



OFFICIAL

Internal Audit Quarterly Report

Audit Committee

Date: 27 January 2023

Agenda Item:

08

Submitted By: Chief Finance and Procurement Officer

Purpose	To present the Internal Audit Quarterly Report October to December 2022
Recommendations	That members note the content of the report
Summary	The report provides a summary of the audit activity for the period October to December 2022 and to report the findings to the Committee

Local Government (Access to information) Act 1972

Exemption Category: Nil

Contact Officer: Simon Straker
simon.straker@kirklees.gov.uk
01484 221000

Background papers open to inspection: Internal Audit Plan 2022/23

Annexes: Internal Audit Quarterly Report

1 Introduction

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 July to September 2022.

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 Information

Audit Work

This report contains an update on audit work included within the 2022/23 audit plan.

In the period October to December, three audits have been completed all of which received a positive assurance opinion.

There are also three audits that are currently in progress.

3 Financial Implications

There are no financial implications associated with this report

4 Legal Implications

The Monitoring Officer has considered this report and is satisfied it is presented in compliance with the Authority's Constitution.

5 Human Resource and Diversity Implications

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

6 Equality Impact Assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? (EIA guidance and form 2020 form.docx (westyorksfire.gov.uk))	Yes / No
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7 Health, Safety and Wellbeing Implications

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

8 Environmental Implications

There are no environmental implications with this report.

9 Your Fire and Rescue Service Priorities

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

10 Conclusions

This report has updated members with the internal audits conducted within the first quarter of 2022/23, October to December 2022.



INTERNAL AUDIT QUARTERLY REPORT

2022/23

October to December

2022

ABOUT THIS REPORT

This report contains information about the work of the Authority's Internal Audit provided by Kirklees Council. The 2022/23 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.

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 details of work completed during the third quarter of 2022/23 covering the Plan approved by the Committee.

Ten of the fourteen planned audits were scheduled to have been completed by this point in the year, whereas seven have been finished, two others have been delayed due to the non-availability of key contacts and a third is in progress.

Each audit so far has produced a positive assurance opinion, albeit that several recommendations have been agreed to strengthen the control environment.

2. SPECIAL INVESTIGATIONS & REVIEWS

None during this time.

3. KEY FINANCIAL SYSTEMS & RISKS

System	Findings	Audit Opinion
Chief Finance & Procurement Officer		
Accounts Payable	<p>This facility is part of the financial services SLA with Kirklees Council.</p> <p>Planned development of the procurement process has now completed and it is now automated in the main. An interface between OPEX (ordering system) and SAP (payments and financial ledger system) has been developed which has enabled automatic payment of invoices that match orders. Monthly statistics are produced to monitor departmental performance and payment days, and at the end of November, 62% of Authority invoices were being auto paid, and 97% were paid on time (within 28 days). Further development work is planned to create more automation.</p>	Substantial Assurance

Between 1st April and 31 October 2022 there were around 2,700 supplier payments processed to 596 suppliers with a total gross value of £26m. Audit testing of a representative sample confirmed that an adequate level of internal control existed, and that expenditure and VAT were accounted for correctly.

Analysis of potential duplicate payments was undertaken, and a sample selected for further examination. No anomalies were noted, and the majority related to recurring contractual payments or repeated orders of standard stock items. Further testing on duplicate payments over a longer period will be undertaken as part of the current NFI data matching.

Two areas for improvement were identified:

- SAP has a holding account to which mismatches of orders and invoice are posted, management of which is the responsibility of the Finance Team, who liaise with system users to address outstanding balances. Balances at the time of the audit totalled around £600k with 89% relating to the current financial year. To avoid resolution becoming an onerous task, a routine account monitoring process needs to be established. Additional training is being undertaken in January 2023 to enable users and Finance staff to improve management of the account and address any recurring reasons for such transactions.
- Creation and modification of suppliers' master data is undertaken by Kirklees Council staff. Further process strengthening to combat the risk of fraud is planned to include extending the checks already in place to modify existing suppliers' data, to the creation of new suppliers. In addition to this change, bank account verification of supplier set-up is to be implemented. Until new procedures are established, WYFRA internal processes for creation of new suppliers should be revised to include some independent checking, (as for modifications) to strengthen existing processes.

4. OTHER FINANCIAL SYSTEMS & RISKS

System	Findings	Audit Opinion
All Directors		
Inventories	<p>A probity audit was undertaken to confirm that the requirements in Financial Procedure Rules concerning the recording and control of valuable and attractive items were being complied with fully. The audit focussed on operational equipment in the main and visits to various stations did not identify any major issues.</p> <p>The threshold for recording items was reduced to £250 in value at the last iteration of FPRs but this has largely not resulted in updates being made, as staff generally believed the threshold to still be £500. In practice the number of items affected is likely to be small.</p>	Substantial Assurance
Overtime Payments	Audit in Progress	
Asset Disposal	Audit in Progress	

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.

Risk	Findings	Audit Opinion
Chief Employment Services Officer		
Attendance Management	<p>There are clear policies, procedures and guidance documents which set out responsibilities and a framework for managing and supporting the attendance management process and a sample of cases reviewed confirmed management adherence to the policy process thus determining the audit opinion.</p> <p>However, the recent and current level of performance suggests that either the policy may not be managing attendance levels as effectively as in the past, and / or that other factors are contributing to the high sickness levels. Performance management arrangements are in place to monitor and report sickness absence, annually at Full Authority meetings with more detailed statistics being reported at quarterly HR Committee meetings. The Authority has an annual target which is currently 6.99 (average number of working days/shifts lost to sickness) but whereas at the time of the previous audit the performance was 7.14, in 2020/21 it was 13.75 and 2021/22 16.53, albeit there was a decrease in absence days in 2022 compared to the same period in 2021 (April to October), although remaining high. WYFRS performance has been slightly higher than the national average. The policy is currently under review and the Head of HR has agreed that the outcomes of this audit will be incorporated.</p> <p>Despite high, almost unprecedented levels of sickness, management have reported that it is not affecting normal operations, (HR Committee, March 2022). More detailed analysis has been sought by Members of the Committee (August 2022) and supplementary information has been provided subsequently. The financial cost of absence is not reported</p>	Adequate Assurance

	to Members directly but a SAP cost of absence report for sickness indicated that it had risen from £1.2m in 2019/2020, to £1.7m in 2021/2022. This does not take account of any additional overtime costs of covering absences: overtime in total (not specifically cover for absence) has also risen from £1.2m to £1.7m during this period (a separate audit is in progress).	
Director of Corporate Services		
Corporate Governance	Audit in Progress	

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.

None during this period.

8. REVIEW OF KEY RECOMMENDATIONS & EXTENSIONS OF TIME TO IMPLEMENT

No key recommendations were outstanding, nor implementation times extended during this period.

9. ADVICE, CONSULTANCY & OTHER WORK

Internal Audit has been commissioned to provide assurance, oversight and challenge to the FSHQ Programme Board. Terms of reference has been agreed to review progress at each of the key milestones on a rolling basis to enable any timely remediation, particularly with external contractors. This role is being performed through participation in the Finance Board that meets on a monthly basis, chaired by the Chief Finance & Procurement Officer.

10. AUDIT PLAN 2022/23 DELIVERY

Performance Indicators		21/22 Actual	22/23 Target	22/23 Actual
Audits completed within the planned time allowance		80%	90%	71%
Draft reports issued within 10 days of fieldwork completion		90%	90%	100%
Client satisfaction in post audit questionnaires		90%	90%	n/a
Chargeable audit days			160	105
QA compliance sample checks – percentage pass		100	100	100
Planned Audits Completed		13	14	7
Planned Audits in Progress				3
Planned Audit Deferred				0
Planned Audits Postponed				0
Unplanned Work Completed				0
Unplanned Work in Progress				0