

## Audit Committee Update for Shropshire and Wrekin Fire and Rescue Authority

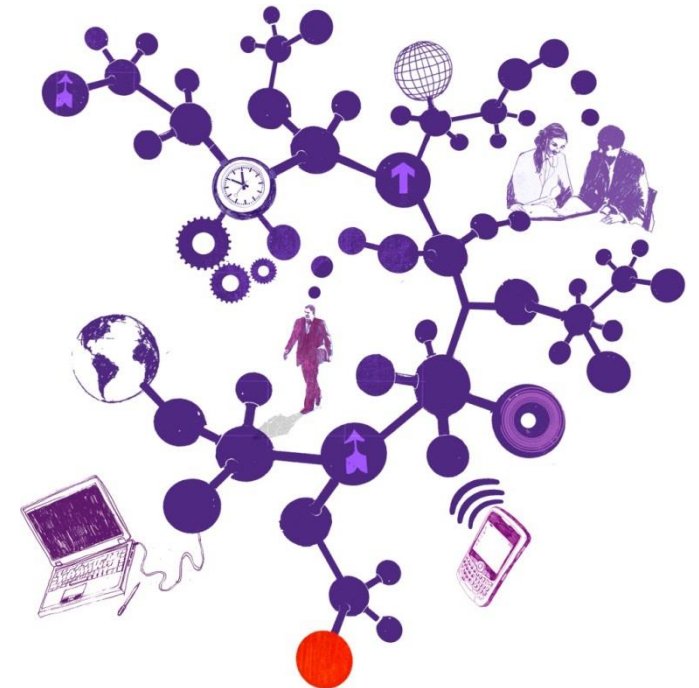
**Year ended 31 March 2016**

December 2015

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

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# Introduction

This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors. The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you; and
- a number of challenge questions in respect of these emerging issues which the Committee may wish to consider.

Members of the Audit Committee can find further useful material on our website [www.grant-thornton.co.uk](http://www.grant-thornton.co.uk), where we have a section dedicated to our work in the public sector (<http://www.grant-thornton.co.uk/en/Services/Public-Sector/>). Here you can download copies of our publications including:

- All aboard? our local government governance review 2015
- Stronger futures: development of the local government pension scheme
- Rising to the challenge: the evolution of local government, summary findings from our fourth year of financial health checks of English local authorities
- 2020 Vision, exploring finance and policy future for English local government
- Where growth happens, on the nature of growth and dynamism across England
- Making devolution work: A practical guide for local leaders

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Audit Manager.

# Progress to date

Work	Planned date	Complete?	Comments
<p><b>2015-16 Accounts Audit Plan</b> We are required to issue a detailed accounts audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on Authority's 2015-16 financial statements.</p>	April 2016	No	Our planning will commence in the new year and any feedback on interim opinion and value for money risks will be included in the audit plan.
<p><b>Interim accounts audit</b> Our interim fieldwork visit includes:</p> <ul style="list-style-type: none"> <li>• updating our review of the Authority's control environment</li> <li>• updating our understanding of financial systems</li> <li>• review of Internal Audit reports on core financial systems</li> <li>• early work on emerging accounting issues</li> <li>• early substantive testing</li> <li>• proposed Value for Money conclusion.</li> </ul>	January/February 2016	No	Two interim visits are planned for 2016 to bring forward work in preparation for the bringing forward of the audit deadline in future years.
<p><b>2015-16 final accounts audit</b> Including:</p> <ul style="list-style-type: none"> <li>• audit of the 2015-16 financial statements</li> <li>• proposed opinion on the Authority's accounts</li> <li>• proposed Value for Money conclusion.</li> </ul>	August 2016	No	Our final accounts audit will be carried out in accordance with the national timetable.

# Progress to date

Work	Planned date	Complete?	Comments
<p><b>Value for Money (VfM) conclusion</b></p> <p>The National Audit Office (NAO) sought views on the proposed guidance to auditors in relation to their statutory duty to be satisfied that audited bodies have proper arrangements in place to secure economy, efficiency and effectiveness (value for money) in their use of resources. The guidance will apply to audits of 2015/16 accounts onwards.</p> <p>The consultation closed on <b>30 September 2015</b> and the finalised Auditor Guidance Note will be published in November 2015 to inform auditors' planning cycles for 2015/16 audits.</p>	March -August 2016	No	<p>The draft guidance draws on feedback received in 2014 on the NAO's draft Code of Audit Practice, and on discussions with stakeholders and local auditors. The draft guidance seeks to, maintain a focus on a risk-based approach to auditors' work, but strengthen guidance in relation to the identification of significant risks and work required to address them</p>

# Making devolution work: A practical guide for local leaders

## Grant Thornton market insight

Our latest report on English devolution is intended as a practical guide for areas and partnerships making a case for devolved powers or budgets.

The recent round of devolution proposals has generated a huge amount of interest and discussion and much progress has been made in a short period of time. However, it is very unlikely that all proposals will be accepted and we believe that this the start of an iterative process extending across the current Parliament and potentially beyond.

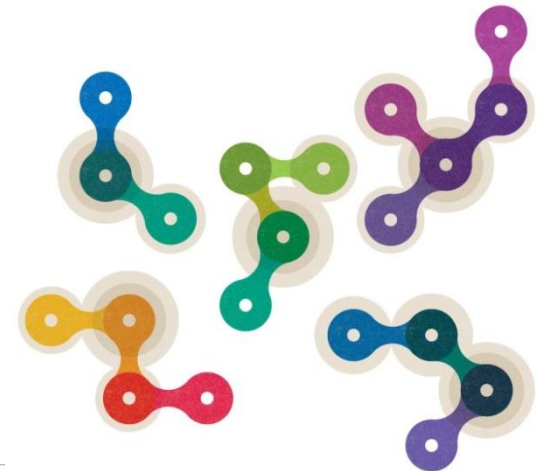
With research partner Localis we have spent recent months speaking to senior figures across local and central government to get under the bonnet of devolution negotiations and understand best practice from both local and national perspectives. We have also directly supported the development of devolution proposals. In our view there are some clear lessons to learn about how local leaders can pitch successfully in the future.

In particular, our report seeks to help local leaders think through the fundamental questions involved:

- what can we do differently and better?
- what precise powers are needed and what economic geography will be most effective?
- what governance do we need to give confidence to central government

The report 'Making devolution work: A practical guide for local leaders' can be downloaded from our website:

<http://www.grantthornton.co.uk/en/insights/making-devolution-work/>



# Next Government Spending Review Commissioned

## Local government issues

On Wednesday 22 July 2015 the Chancellor of the Exchequer formally commissioned 'Spending Review 2015' which will make an initial allocation of what the government spends in the years from 2016/17 to 2020/21.

A copy of the launch document *A country which lives within its means* can be found at: [A Country that lives within its means](#)

The document stresses the priority that the government attaches to growth and productivity including the local growth fund and the Northern Powerhouse. It reaffirms the commitment to radical devolution in England through further deals and integration of public services and confirms that departments will be asked to set out their contribution to the public sector land programme as part of their Spending Review bids in order to realise the government's housing ambitions.

You will also see from the document that HM Treasury has invited government departments to set out plans for reductions to their Resource budgets. In line with the approach taken in 2010, HM Treasury is asking departments to model two scenarios, of 25% and 40% savings in real terms, by 2019/20.

In addition representative bodies, interest groups and individuals were invited to submit written representations to HM Treasury by 4 September 2015.

The Spending Review is expected to be announced on 25 November 2015.

### Challenge question

Are members aware of the timescales for including announcements from the Spending Review into the Medium Term Financial Planning process?

# Enabling closer working between the Emergency Services Consultation

## Local government issues

In its election manifesto the Government committed to enabling fire and police services to work more closely together and to develop the role of elected and accountable Police and Crime Commissioners. The Department for Communities and Local Government, in partnership with the Home Office and Department for Health have been working on proposals to support the commitment which seeks to drive a greater level of joint working between the emergency services, and deliver more effective and efficient services for communities.

A joint consultation paper containing the proposals was published on 11 September 2015. [\*Enabling Closer working between the Emergency Services consultation paper\*](#) is seeking views on proposals to drive greater collaboration between the emergency services and to enable closer working between police and fire and rescue services.

It also set out the proposals as follows:

- introducing a new duty on all three emergency services to actively consider collaboration opportunities with one another to improve efficiency and effectiveness;
- enabling Police and Crime Commissioners to take on the duties and responsibilities of fire and rescue authorities , where a local case is made;
- where a Police and Crime Commissioner takes on the responsibilities of a Fire and Rescue Authority, enabling him or her to create a single employer for police and fire staff, facilitating the sharing of back office functions and streamlining management;
- in areas where a Police and Crime Commissioner has not become responsible for fire and rescue services, enabling them to have representation on their local Fire and Rescue Authority; and
- abolishing the London Fire and Emergency Planning Authority and giving the Mayor of London direct responsibility for the fire and rescue service in London, as will be the case in Greater Manchester.

The aim of the proposals is to deliver real change and improvement in the accountability and service delivery across the emergency services. The proposals and eventual legislation will affect England only.

### Challenge question

Did the Authority respond to the consultation?

Are members aware of how closer working is supporting the strategic direction of the Authority?



# Fire Statistics April 2014 to March 2015 published

## Fire Sector issues [for information]

The latest National Statistics, Fire Statistics Monitor April 2014 to March 2015 were published on the GOV.uk website on 20 August 2015. These cover annual headline statistics on fire fatalities, non-fatal casualties and incidents attended by fire and rescue services in England.

The latest Fire and Rescue Operational Statistics, England, April 2014 to March 2015 was published on the GOV.uk website on 24 September 2015. It includes English Fire and Rescue Authorities' personnel statistics, numbers of injuries to firefighters, statistics relating to community fire safety activity and fire safety audits of buildings.

The full publication and supplementary tables can be found at: [Fire Statistics](#) and [Operational Statistics](#). Highlights from the statistics nationally are:

- The 2014/15 data show a continuation of the long term decreasing trend in the number of fatalities, casualties and incidents attended by fire and rescue services down 6% and the lowest annual figure recorded to date.
- There were 3,235 non-fatal fire hospital casualties in England in 2014/15, 6% lower than in 2013/14 and 55 per cent lower than in 2004/05.
- Fire and rescue services attended a total of 154,700 fires in England in 2014/15, the second lowest number on record.
- Fire and rescue services attended 125,000 non-fire incidents in 2014/15, down 5% from 2013/14. The largest categories of non-fire incidents were road traffic collisions (25%) and attending medical incidents (13%).
- There were 44,000 full-time equivalent Fire and Rescue Authority staff in England as at 31 March 2015. This was 3.6 per cent lower than one year earlier, and 12.6 per cent lower than ten years earlier.
- Total firefighter strength (full time equivalent for whole-time, and 24 hour units of cover for retained duty system) decreased by 3.2 per cent compared to one year ago, and by 14.7 per cent compared to ten years ago.
- There were 2,627 injuries sustained by firefighters (during training, operational incidents and routine activities). This was 16.5 per cent and 52.7 per cent lower than one year and ten years earlier respectively, and continues the downward trend seen over the past decade. There were no firefighter fatalities during 2014/15.

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# Director for Fire, Resilience and Emergencies and DCLG

## Fire Sector issues [for information]

On 9 September 2015, Neil O'Connor announced that he would be leaving his role as Director for Fire, Resilience and Emergencies to join Louise Casey's team which has been asked by the Prime Minister to review how to boost opportunity and integration and bring Britain together as one nation.

Sarah Benioff has taken on the role as Director with responsibility for fire, resilience and emergencies alongside her responsibilities for integration and community rights in the Department.

Officials in the directorate are currently working on a programme of visits to fire and rescue authorities for Sarah Benioff to visit over the coming months. Sarah also has a number of introductory meetings planned.



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