

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

## Progress Report and Update Year ended 31 March 2017

December 2016

**Mark Stocks**

Partner

T 0121 232 5437

E [mark.c.stocks@uk.gt.com](mailto:mark.c.stocks@uk.gt.com)

**Jim Mclarnon**

Assistant Manager

T 0121 232 5219

E [james.a.mclarnon@uk.gt.com](mailto:james.a.mclarnon@uk.gt.com)

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# Introduction

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

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. Here you can download copies of our publications:

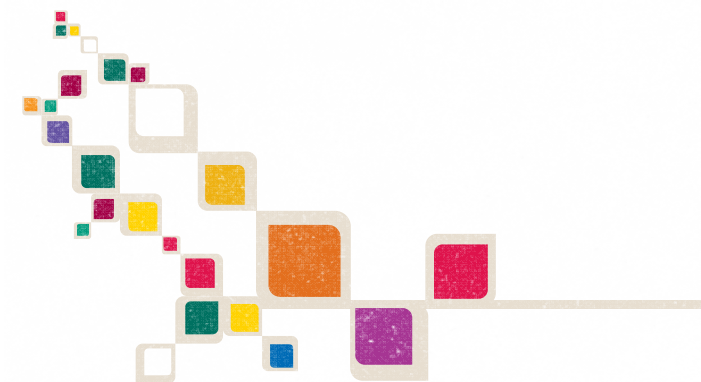
- Advancing closure – the benefits for local authorities (July 2016)  
<http://www.grantthornton.co.uk/en/insights/advancing-closure-the-benefits-to-local-authorities/>
- Brexit – a public sector perspective (July 2016)  
<http://www.grantthornton.co.uk/en/insights/brexit--a-public-sector-perspective/>

Members and officers may also be interested in our recent webinars:

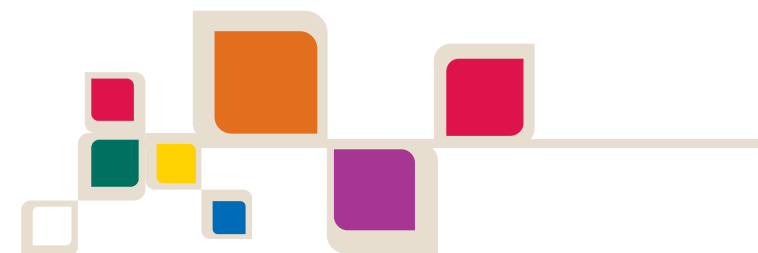
- Alternative delivery models: Interview with Helen Randall of Trowers and Hamlins law firm, discussing LATCs and JVs in local government.  
<http://www.grantthornton.co.uk/en/insights/qa-on-local-authority-alternative-delivery-models/>
- Cyber security in the public sector: Our short video outlines questions for public sector organisations to ask in defending against cyber crime  
<http://www.grantthornton.co.uk/en/insights/cyber-security-in-the-public-sector/>

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 Engagement Manager.

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.

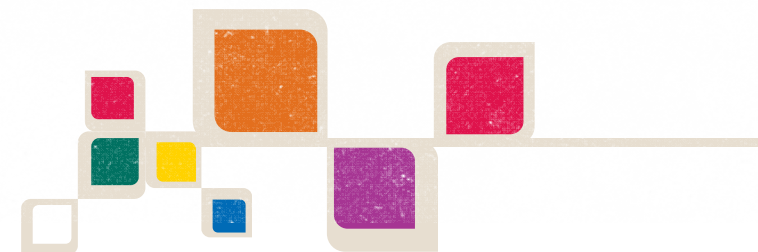


# Progress to date



2016/17 work	Planned Date	Complete?	Comments
<p><b>Fee Letter</b></p> <p>We are required to issue a 'Planned fee letter for 2016/17' by the end of April 2016.</p>	April 2016	Yes	The 2016/17 fee letter was issued in April 2016 and presented to the Audit and Performance Management Committee on 7 <sup>th</sup> July.
<p><b>Interim accounts audit</b></p> <p>Our interim fieldwork visits include:</p> <ul style="list-style-type: none"> <li>• updating our review of the Fire Authority's control environment</li> <li>• updating our understanding of the financial systems</li> <li>• review of Internal Audit reports on core financial systems</li> <li>• early work on emerging accounting issues in 2016/17</li> <li>• early substantive testing</li> <li>• proposed Value for Money conclusion based on our risk assessment of the Fire Authority.</li> </ul>	January to March 2017	No	<p>As in the prior period, the emphasis this year will be on the ability to complete work efficiently and earlier in the process than before in sight of the revised deadlines for closure from 2017/18.</p> <p>The Authority have taken a proactive response to this requirement and made good progress in their preparations. We have engaged with key finance personnel to project plan our approach to early sign off.</p>
<p><b>The Audit Plan</b></p> <p>We are required to issue a detailed accounts audit plan to the Fire Authority setting out our proposed approach in order to give an opinion on the Fire Authority's 2016/17 financial statements.</p>	April 2017	No	We continue to assess the risks facing your Authority and meet with Senior Officers to ensure that these risks are fully understood and our audit work is appropriate.
<p><b>Final accounts audit</b></p> <p>Including:</p> <ul style="list-style-type: none"> <li>• audit of the 2016/17 financial statements</li> <li>• opinion on the Fire Authority's accounts</li> <li>• the audit findings report</li> </ul>	July 2017 to August 2017	No	Following on from above, in conjunction with the Authority we intend to bring the audit process forward in 2017 with an anticipated completion date of the end of July 2017 and sign off of the accounts in early August.

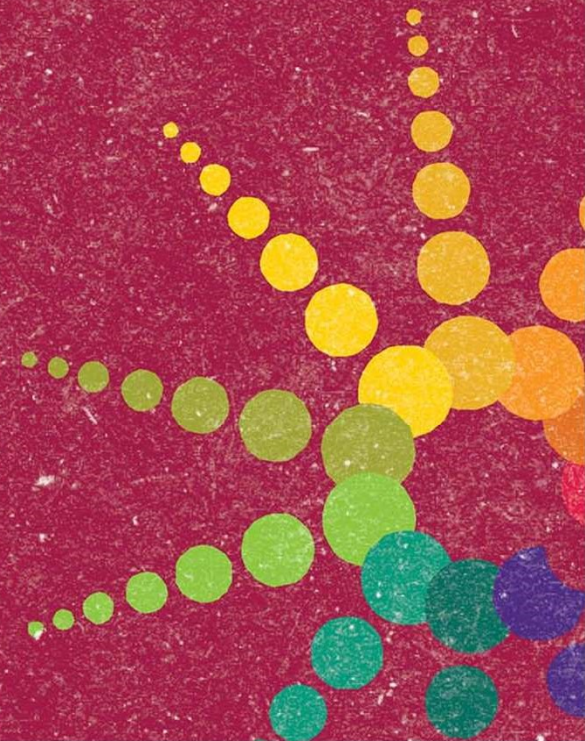
# Progress to date



2016/17 work	Planned Date	Complete?	Comments
<p><b>Value for Money (VfM) conclusion</b></p> <p>The scope of our work to inform the 2016/17 VfM Conclusion requires conclusions on whether:</p> <p><i>"In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".</i></p> <p>This change of guidance was issued by the National Audit Office in November 2015. The Code requires auditors to satisfy themselves that; "the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".</p> <p>The three sub criteria for assessment to be able to give a conclusion overall are:</p> <ul style="list-style-type: none"> <li>• Informed decision making</li> <li>• Sustainable resource deployment</li> <li>• Working with partners and other third parties</li> </ul>	July 2017 to August 2017	No	<p>The scope of our value for money assessment, which changed in 2015/16, will remain consistent this year.</p> <p>Through our understanding of the Authority, the region and the wider sector, we will continue to assess the significant risks to the value for money conclusion.</p> <p>We will also consult with the Audit and Performance Management Committee on any other areas you wish to bring to our attention.</p>
<p><b>Annual Audit Letter</b></p> <p>We will summarise all the work completed as part of our 2016/17 audit within one letter which will be issued after the opinion.</p>	October 2017	No	



# Fire Sector Accounting and other issues





# CFOA Members vote to change the Articles of Association

CFOA Members have voted on proposals to change the Articles of Association which will change the structure of the Association.

The proposals intend to:

- strengthen the professional / operational leadership of the Fire and Rescue Service
- improve national co-ordination
- reduce duplication; increase efficiency
- support local service delivery
- provide increased influence for Fire and Rescue Authorities and their Services.

The proposals have been approved and the CFOA Board will now begin the process of implementing the changes on behalf of the membership. Key changes include:

- Removal of the term CFOA Board to be replaced with CFOA Trustees,
- Replacing the CFOA President's role as Chair of the CFOA Board with the new role of Chair of Trustees.

- Addition of the role of National Fire Chiefs Council (NFCC) Chair
- Addition of the section on NFCC
- Changing the name of Ordinary membership to Individual membership
- Addition of Professional Partner (PP) to categories of membership
- Changes to reflect the intention that most individual membership subscriptions will be paid for by the relevant Fire Authority as part of the PP package however leaving the option for an individual to chose to pay their own subscription if a service choses not to be a PP
- Appointment process for Trustees
- Election process for the Vice President Elect removed. Trustees have the powers to determine the election process which provides the flexibility that may be required for future elections.

CFOA will now invite nominations from Chief Fire Officers for the role of Chair of the National Fire Chiefs Council. The Chair will work alongside Dave Etheridge as he takes on the role of President.

Members have also approved a new Code of Ethics and Disciplinary and Appeals Procedure which provides evidence of their commitment to both professionalism and integrity.

# CFOA responds to Home Office workforce statistics

The Chief Fire Officers Association (CFOA) has responded to new statistics released by the Home Office which primarily focuses on the make up of English fire and rescue services workforce; focussing on age, religion, ethnicity and sexual orientation.

CFOA is pleased to see more transparency across fire and rescue services and more information available to the public. However, the Association has highlighted austerity measures which led to fire budget cuts of more than £300 million during the last six years (28% of government funding), leading to little recruitment taking place during this period, impacting on progressing workforce diversity.

In addition, the report shows the number of operational staff has fallen by almost a fifth during the last five years, highlighting the scale of reductions across fire and rescue services' workforce.

## The figures show in 2015/2016 that:

- Firefighters in England were predominantly male (95%) white (96%) and aged 36 or older (73%)
- 5% of firefighters were women. This was 4.7% in the previous year and 4.1% five years ago

- Of those who stated an ethnicity, 3.8% were from an ethnic minority group (doesn't include all FRSs)
- 3% of firefighters were bisexual, gay or lesbian (doesn't include all FRSs)

Ann Millington, CFOA's Director of People & Organisational Development commented: "All fire and rescue services have undertaken work to change and challenge the views that it is a male profession.

"A lot of work has also been done to encourage more female firefighters along with people from a range of ethnicities and backgrounds to join; helping to ensure fire services are as representative as possible for the communities they serve. Despite austerity measures, services have continued to work on improving diversity through work programmes aimed to change culture and improve development opportunities for staff."

Ann Millington added: "As we widen our role to further expand our health and community work, we need diversity of ideas and skills, along with people who can help us integrate our services with our partners and the communities we serve. We are working together and with the Home Office to attract people to our sector.

Full details can be found at: <https://www.gov.uk/government/collections/fire-statistics#fire-and-rescue-authorities-operational-statistics-latest-version>

"We want people to recognise that we can offer a career and a great place to work, while creating equal opportunities for people from different backgrounds; ultimately having a positive impact on the diverse communities we serve."

Dave Etheridge, CFOA's President said: "These figures provide an accurate picture of fire and rescue services at the current time, but also reflect almost seven years of austerity when recruitment was at an all time low and budgets were substantially reduced. A number of services are now recruiting and we will hopefully see a positive change in these statistics in the coming years.

"However the changes are likely to be relatively small to begin with due to building up recruitment levels. We are working hard to ensure we proactively encourage and work with a range of different people to ensure diversity, while breaking myths of what the role of a firefighter entails."



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