

Audit Progress Report

Tyne and Wear Fire and Rescue Authority

September 2019





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1. AUDIT PROGRESS

Purpose of this report

This report provides the Governance Committee with an update on progress in delivering our responsibilities as your external auditor as well as a summary of recent publications and other updates that may be of interest to Committee Members.

2018/19 audit

At the July Governance meeting we reported that we were on track to complete the audit by 31 July, in line with the statutory timetable.

On 31 July 2019 we issued an:

- unqualified opinion on the Authority's financial statements; and
- unqualified value for money conclusion.

We issued a follow-up letter on 31 July 2019 to supplement our Audit Completion Report.

We have discussed our annual audit letter with senior management and will be presenting it as a separate agenda item to this meeting. This marks the formal conclusion of our 2018/19 audit and summarises our work and findings as well as outlining future challenges.

2019/20 audit

In the coming quarter we will begin work in respect of the 2019/20 audit by discussing the current risks in relation to our audit opinion and the VFM conclusion with senior management. This will begin to shape our Audit Strategy Memorandum for the 2019/20 audit, which we will present to the March 2020 meeting of this Committee.

2. NATIONAL PUBLICATIONS AND OTHER UPDATES

	Publication
1	The Guide To Local Government Finance, April 2019, CIPFA, April 2019
2	Framework To Review Programmes, NAO, April 2019
3	National Co-ordination and Advisory Framework for the Fire Service in England, Home Office, April 2019
4	Progress Delivering the Emergency Services Network, NAO, May 2019
5	Local Government Governance and Accountability, Public Accounts Committee, May 2019
6	Fire and Rescue Incident Statistics – England, Year-Ending December 2018, Home Office, May 2019
7	The Regulatory Reform (Fire Safety) Order 2005: Call for Evidence, Home Office, June 2019
8	Fire and Rescue Service Inspections 2018/19 – A Summary of Findings From Tranche 2 , HMICFRS, June 2019
9	Rethinking Social Value: Unlocking Resources to Improve Lives, Mazars, June 2019
10	Local audit quality forum June 2019 slides, Public Sector Audit Appointments, June 2019

1. The Guide To Local Government Finance, CIPFA, April 2019

This guide covers the current arrangements and provides insights into possible future changes at a time when political uncertainty makes future developments difficult to foresee.

Covering both revenue and capital financing, this guide provides the reader with an introduction to the technical complexities of funding each type of expenditure.

The publication is presented in dedicated service areas that have their own funding streams and financial complexities. For those requiring more of an introduction to local government finance, CIPFA also produces an Introductory Guide to Local Government Finance that summarises the key information in a way that is aimed at non-finance specialists and those new to the sector.

<https://www.cipfa.org/policy-and-guidance/publications/t/the-guide-to-local-government-finance-2019>

2. Framework To Review Programmes, NAO, April 2019

Major programmes are expensive, high profile and carry great uncertainties and risks. It is not surprising that many fall short of their objectives, in terms of cost and/or outcomes.

The NAO has completed about 140 reports on major projects and programmes since 2010. Based on this experience, this framework draws together the key questions the NAO ask when they review major programmes. It was developed for NAO value-for-money auditors to use when reviewing programmes, but may be useful for those seeking an overview of the NAO work on projects and programmes.

The questions are structured into four sections:

- Purpose: Is there a strategic need for the programme and is this the right programme to meet the business need?
- Value: Does the programme provide value for money?
- Programme set-up: Is the programme set up in accordance with good practice and are risks being well managed?
- Delivery and variation management: Are mechanisms in place to deliver the intended outcomes and respond to change, and is the programme progressing according to plan?

There are 18 key questions, each illustrated with examples of good practice and lessons learnt from previous NAO reports. The Framework also outlines the NAO's related resources that provide further support for examining issues in more depth.

<https://www.nao.org.uk/report/framework-to-review-programmes/>

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2. NATIONAL PUBLICATIONS CONTINUED

3. National Co-ordination and Advisory Framework for the Fire Service in England, Home Office, April 2019

This guidance has been developed jointly between the National Fire Chiefs Council (NFCC) and the Home Office (HO) to provide advice and guidance to fire and rescue services in order to deliver the effective coordination of resources before, during and after major incidents. Furthermore, it sets out the critical situational awareness reporting arrangements which will facilitate central government's decision making that is designed to protect and reassure local communities during emergencies.

The Framework has been designed to provide robust and flexible response arrangements to major emergencies that can be adapted to the nature, scale and requirements of the incident. The Fire & Rescue Service National Framework 2018 requires Fire and rescue authorities (FRAs) to proactively engage with and support these arrangements including the lead operational role of the NFCC.

<https://www.gov.uk/government/publications/national-coordination-and-advisory-framework-for-england>

4. Progress Delivering the Emergency Services Network, NAO, May 2019

The Emergency Services Network (ESN) is the Government's chosen option to replace the Airwave system, which 107 police, fire and ambulance services in England, Scotland and Wales (the emergency services) use for communications between control rooms and the field. It is intended to save money by sharing an existing commercial 4G network, unlike Airwave, which is fully dedicated to its users. ESN should also allow better use of mobile data than Airwave.

The Home Office previously expected that emergency services would start using ESN in September 2017, allowing Airwave to be replaced in December 2019. The NAO reported on ESN in September 2016 and concluded that the Home Office was underrating the risks to delivering ESN successfully. By 2017, the Home Office realised that its plan for delivering ESN was not achievable.

In September 2018, the Home Office announced a 'reset' of its approach, based on a phased introduction of ESN services, rather than launching the whole programme at once. This involved revising the whole programme, for example to extend timetables and renegotiate contracts. This report examines what the 2018 reset means for the ESN programme and the extent to which the reset has addressed the programme's most significant risks.

<https://www.nao.org.uk/report/progress-delivering-the-emergency-services-network/>

5. Local Government Governance and Accountability, Public Accounts Committee, May 2019

The Public Accounts Committee (PAC) concluded that the Ministry of Housing, Communities and Local Government (MHCLG) 'has been reactive and ill-informed in its approach to oversight of the local governance system'. The report recommends that MHCLG write to the PAC within 6 months setting out:

- its overall plan for improving its oversight;
- its progress in working more effectively with other government departments to understand overall pressures on service sustainability;
- its objectives for the promised local governance panel and the means by which the panel's effectiveness will be assessed;
- progress in setting up the new panel, including its work programme, and
- the concrete actions the panel will take; the timetable and intended outcomes the panel will be working towards.

The report also makes recommendations designed to identify why some authorities are dissatisfied with their external auditors, identifying authorities at risk of financial failure and the need for greater transparency over engagement on governance issues with individual authorities.

<https://publications.parliament.uk/pa/cm201719/cmselect/cmpubacc/2077/207702.htm>

2. NATIONAL PUBLICATIONS CONTINUED

6. Fire and Rescue Incident Statistics – England, Year-Ending December 2018, Home Office, May 2019

This release contains statistics about incidents attended by fire and rescue services (FRSs) in England for the year ending December 2018. The statistics are sourced from the Home Office's online Incident Recording System (IRS) and include statistics on all incidents, fire-related fatalities and casualties from fires.

The report finds that nationally there was a five per cent increase in fires compared with the previous year, which was driven by an 11 per cent increase in secondary fires resulting from the hot, dry summer of 2018. The number of primary fires fell slightly as did the number of fatalities after excluding those arising from the Grenfell Tower fire.

<https://www.gov.uk/government/statistics/fire-and-rescue-incident-statistics-england-year-ending-december-2018>

7. The Regulatory Reform (Fire Safety) Order 2005: Call for Evidence, Home Office, June 2019

The government has launched a public consultation, *Building a Safer Future: Proposals for reform in the building safety regulatory system*. This takes forward the recommendations of the Independent Review of Building Regulations and Fire Safety, led by Dame Judith Hackitt following the Grenfell Tower Tragedy. The consultation seeks views on proposals for a radically new building and fire safety system, covering all multi-occupied residential buildings of 18 metres or higher.

The Regulatory Reform (Fire Safety) Order 2005 – the Fire Safety Order – is the cornerstone of general fire safety legislation and extends to England and Wales, regulating fire safety in a wide spectrum of non-domestic premises, including workplaces and the parts used in common in multi-occupied residential buildings. The application of the Fire Safety Order, particularly in relation to the parts used in common in high rise multi-occupied residential buildings, was considered by Dame Judith Hackitt during her Review.

This Call for Evidence, which complements and is being published alongside the *Building a Safer Future* consultation, is the first step in a process to ensure that the Fire Safety Order continues to be fit for purpose as part of the Government's consideration of the wider building safety landscape. It only considers the application of the Fire Safety Order in relation to non-domestic premises located in England.

<https://www.gov.uk/government/consultations/the-regulatory-reform-fire-safety-order-2005-call-for-evidence>

8. Fire and Rescue Service Inspections 2018/19 – A Summary of Findings From Tranche 2 , HMICFRS, June 2019

HMICFRS have inspected 16 services in the second tranche of inspections, following on from the publication of the first tranche of 14 reports in December 2018. Each inspection assessed how effective and efficient the service is, how it protected the public against fires and other emergencies and how it responded to the same. They also assessed how well each service looks after the people who work there. Until they inspect every service, they don't have a complete national picture, but some themes are emerging, which they have reflected in this report. They will form judgments and make recommendations as part of the first State of Fire and Rescue report, which they will publish later this year, but this report contains two recommendations:

- there should be more consistency, for example, in how fire and rescue services define risk and calculate and communicate response standards to the public; and
- the fire sector also needs more support to change and modernise.

The Tranche 2 grades were slightly more positive, particularly in relation to people, than the Tranche 1 grades, with only 1 service rated 'inadequate'. However, for the first time HMICFRS identified a serious gap in one service's ability to respond to a terror attack.

<https://www.justiceinspectorates.gov.uk/hmicfrs/publications/fire-and-rescue-service-inspections-2018-19-tranche-2/>

9. Rethinking Social Value: Unlocking Resources to Improve Lives, Mazars, June 2019

We have been taking views from our clients in the public and not-for-profit sectors on how social value is defined, delivered and its impact on communities.

2. NATIONAL PUBLICATIONS CONTINUED

We are pleased to share the results of this research in our brand new report: *'Rethinking social value: unlocking resources to improve lives'*. The report focuses on:

- the opportunities around social value;
- leadership, communication, and building support;
- case studies highlighting innovative approaches in charities, not-for-profits and private sector partnerships; and
- how to measure the impact of social value.

<https://www.mazars.co.uk/Home/Industries/Public-Services/Public-Services-Insights/Rethinking-Social-Value>

10. Local audit quality forum June 2019 slides, Public Sector Audit Appointments, June 2019

The local audit quality forum meeting place in which all of the parties which share a responsibility for audit quality can share experiences and good practice. The June 2019 slides are now available as per the link below. The forum addressed 'practical help for Audit Committees', including the following:

- what should the Audit Committee look for in the financial statements?
- what is it like being an Audit Committee Chair;
- support for Audit Committees from CIPFA;
- how can Internal Audit help the Audit Committee to deliver its remit;
- support from the Local Government Association for Audit Committees; and
- new Code of Audit Practice consultation.

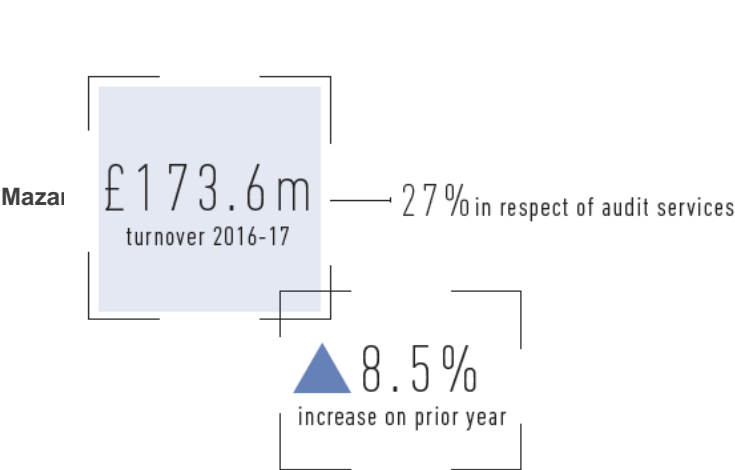
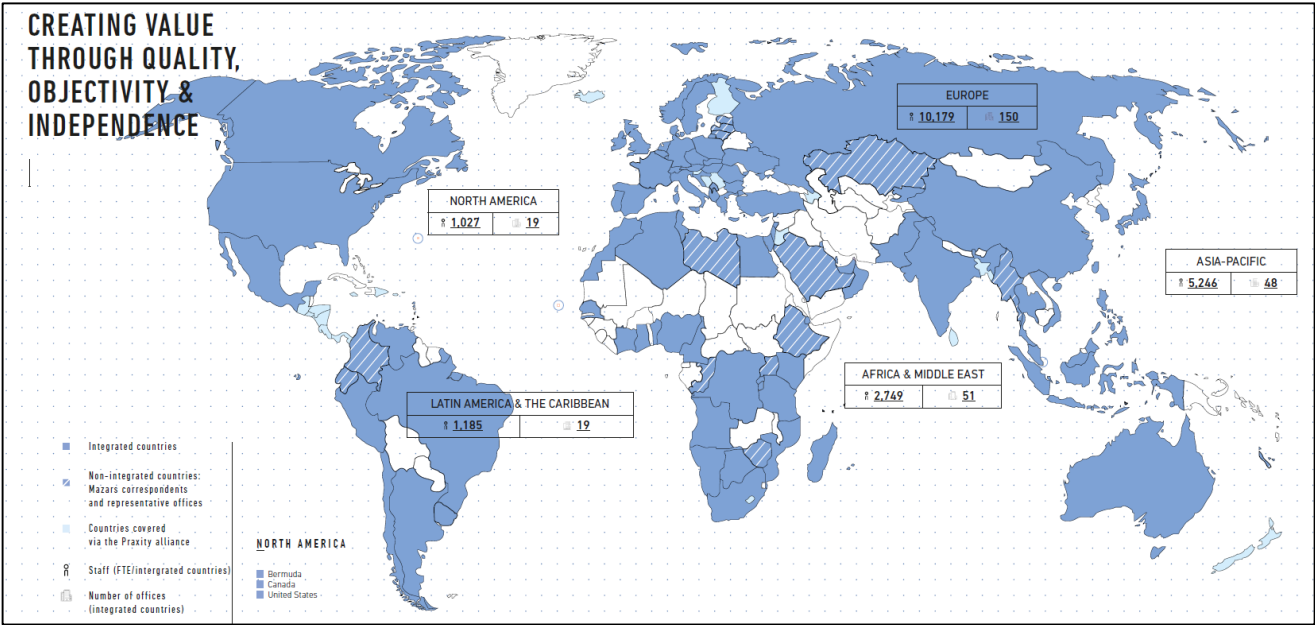
The next event is in November 2019. Local bodies, including this Authority, which have opted into PSAA's national scheme are entitled to attend LAQF events free of charge (up to two delegates per body).

<https://www.psaa.co.uk/wp-content/uploads/2019/06/10-07-19-LAQF-Presentation-Slides.pdf>

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