

OFFICIAL

Agenda item: 06

Abridged Performance Management Report

Audit Committee

Date:	07 February 2025
Submitted by:	Director 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 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:	2024-25 Abridged Performance Management Report – 01 April 2024 to 1 December 2024.

1. Introduction

- 1.1 The Performance Management and Activity Report, which is presented to each Full Authority meeting outlines the Authority's performance against key performance indicators thereby enabling the Authority to measure, monitor and evaluate performance against targets.
- 1.2 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 reports highlight the key performance indicators where the targets are not being achieved.

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 There are no human resources and diversity implications arising from this report.

6. Equality Impact Assessment

- 6.1 Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance?: No

7. Health, Safety and Wellbeing Implications

- 7.1 There are no health and safety implications arising from 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 with the Community Risk Management Plan 2022-25 strategic priorities below:

- Improve the safety and effectiveness of our firefighters.
- Promote the health, safety, and wellbeing of all our people.
- Encourage a learning environment in which we support, develop, and enable all our people to be at their best.
- Focus our prevention and protection activities on reducing risk and vulnerability.
- Provide ethical governance and value for money.
- Collaborate with partners to improve all of our services.
- Work in a sustainable and environmentally friendly way.
- Achieve a more inclusive workforce, which reflects the diverse communities we serve.
- Continuously improve using digital and data platforms to innovate and work smarter.
- Plan and deploy our resources based on risk.

10. Conclusions

10.1 That Members note the report.



Abridged Performance Management Report Audit Committee

Period Covered:

01 April 2024

01 December 2024



This report provides a summary of our progress across the Service based on the date ranges below.

Period Covered:

Financial Year	2024-25	
Date Range	01 April 2024	01 December 2024

IMPORTANT: The data provided is based on incident reports that have been completed and/or checked but will not include data from incident reports which have not been completed. Data may change due to incident reports that have been updated due to amendment. The data is accurate at time of creation of the report.

This report is comparing the date range above against:

Previous Year Comparison Date Range	01 April 2023	01 December 2023
3 Year Average Comparison Period	01 April 2023 01 April 2022 01 April 2021	01 December 2023 01 December 2022 01 December 2021
Colour Key	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; background-color: #cccccc; padding: 2px 5px;">Positive Arrows</div> <div style="border: 1px solid black; background-color: #ff0000; color: white; padding: 2px 5px;">Negative Arrows</div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 5px;"> <div style="border: 1px solid black; background-color: #0000ff; color: white; padding: 2px 5px;">Positive Charts</div> <div style="border: 1px solid black; background-color: #ff0000; color: white; padding: 2px 5px;">Negative Charts</div> </div> <p style="font-size: small; margin-top: 10px;">*When doing a comparison the key above is used. In all other cases graphs, charts and visuals are using contrasting colours to support accessibility.</p>	

Due to seasonality **Previous Year** and **3 Year Average** comparison are based on selected range and not the whole of the previous year.

Performance Summary

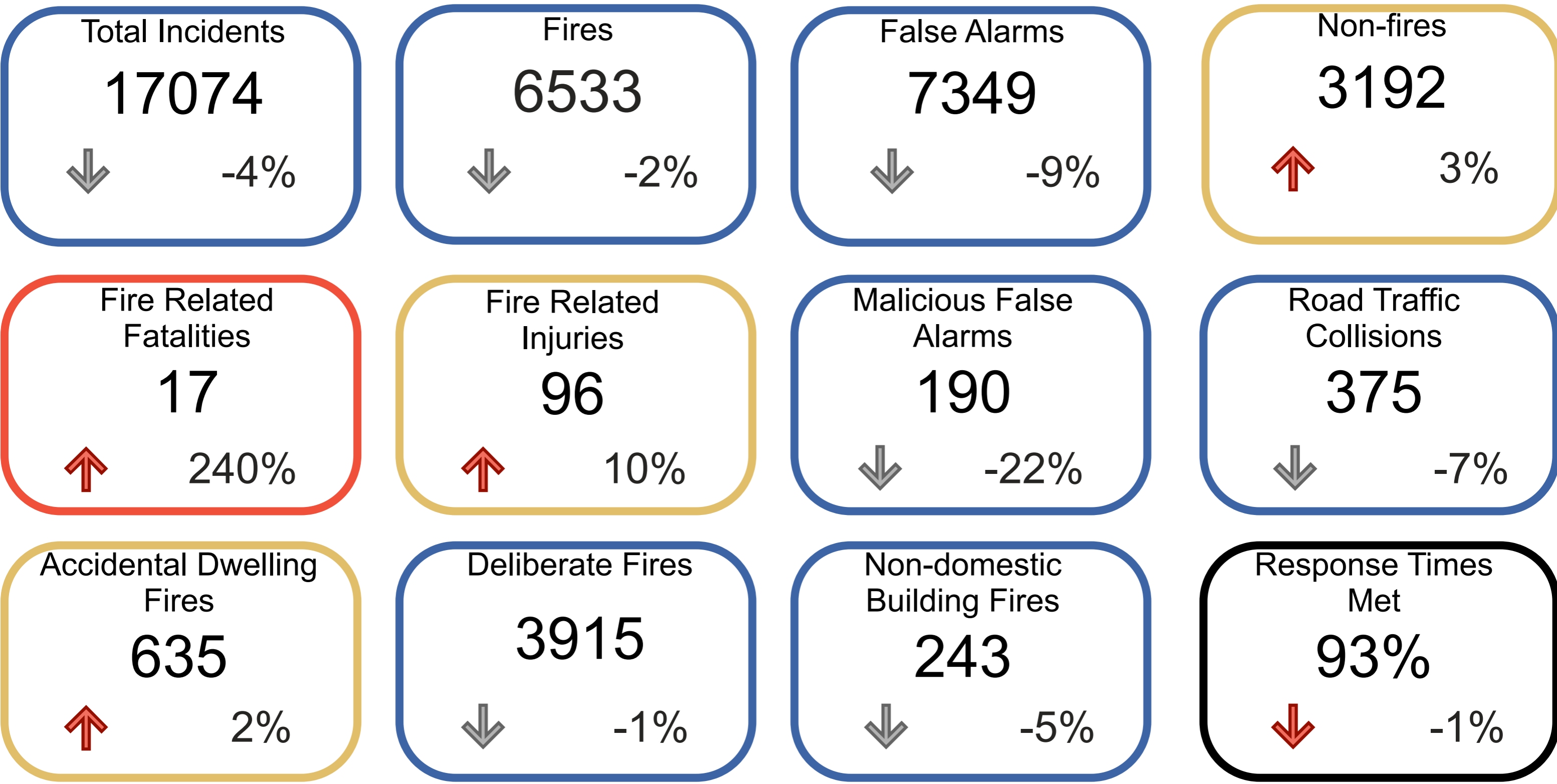
Arrows display percentage(%) increase/decrease on previous year to current financial year.
Borders display the 10% tolerance based on the 3 year average of the selected date range.

The comparison range is based on selected date range.

This report is comparing: 01 April 2024
 Against: 01 April 2023

01 December 2024
 01 December 2023

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



Monthly 3 Year Average

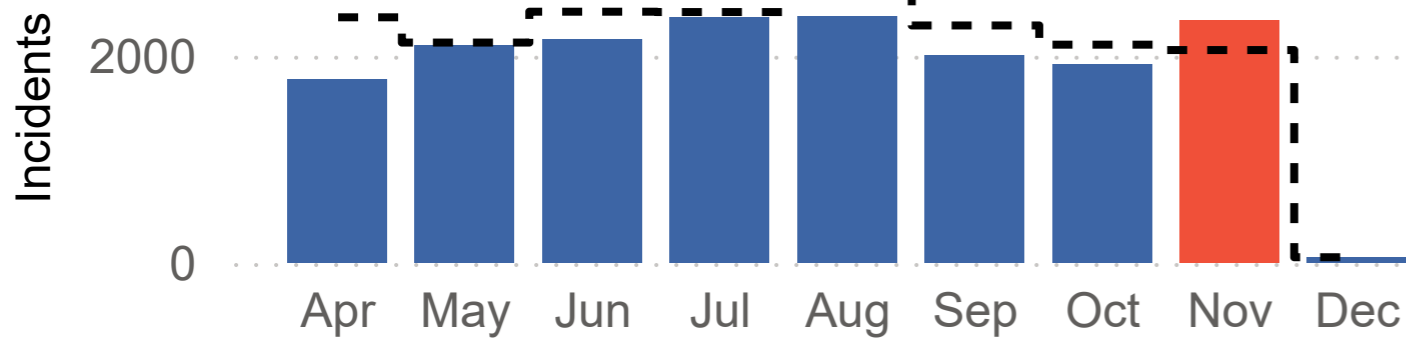
District, Ward

01 April 2024

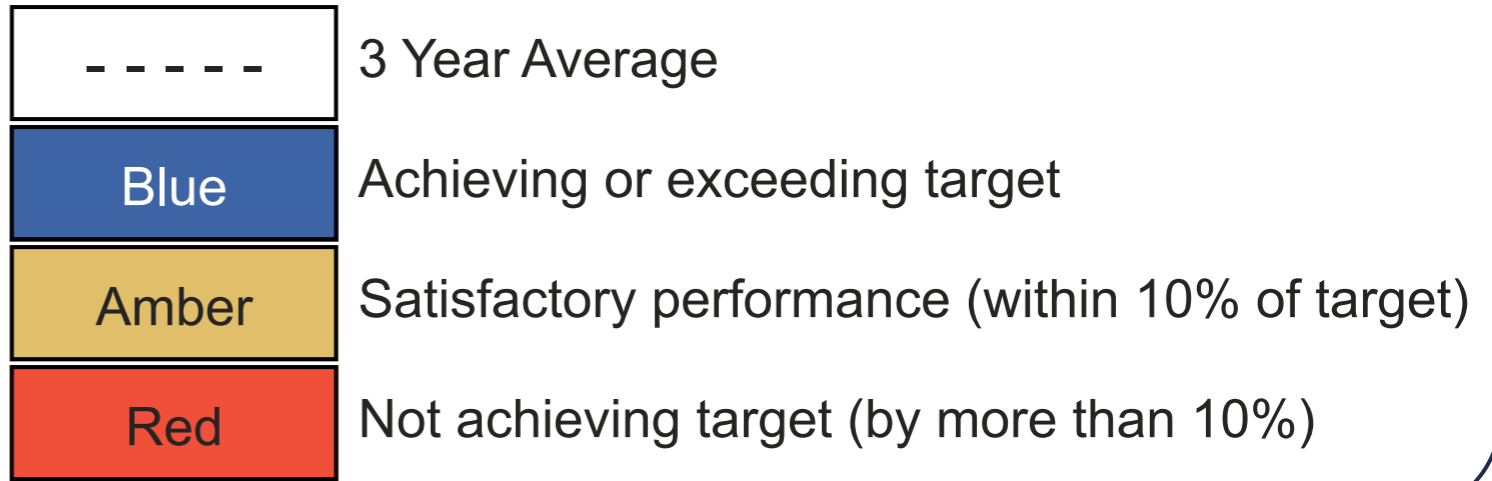
01 December 2024

All

Total Activity

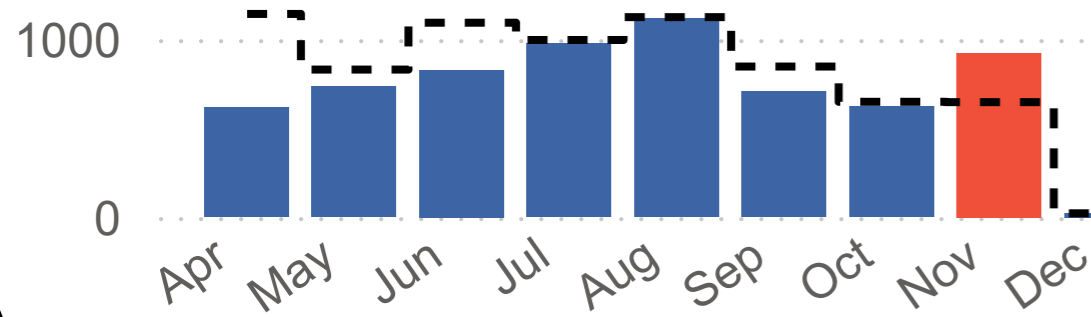


Legend:

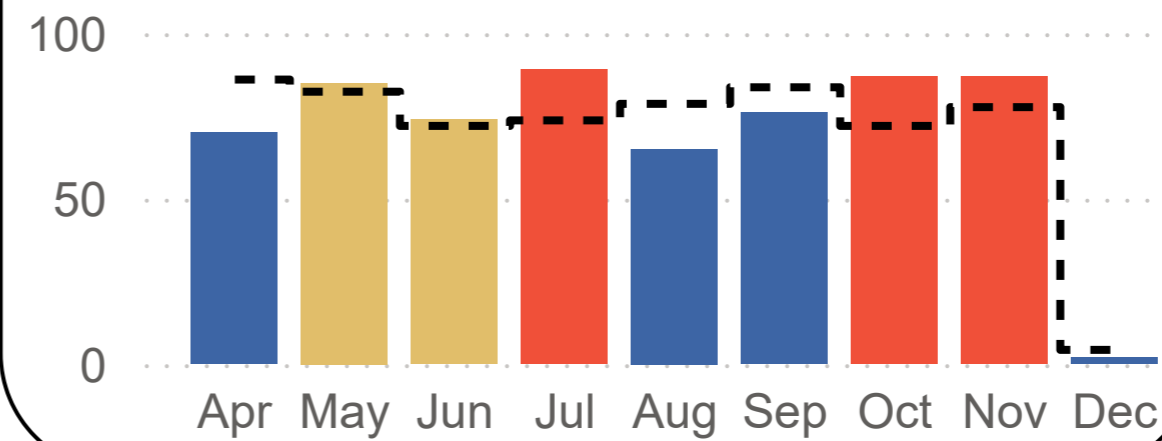


Fires

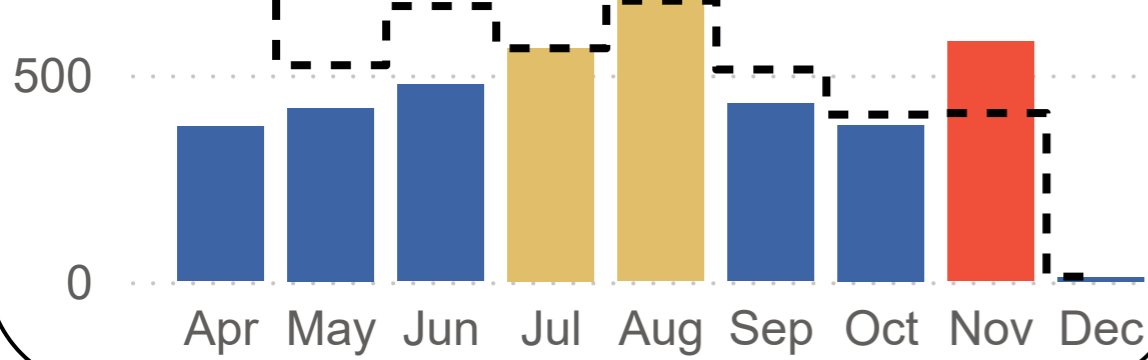
Fires



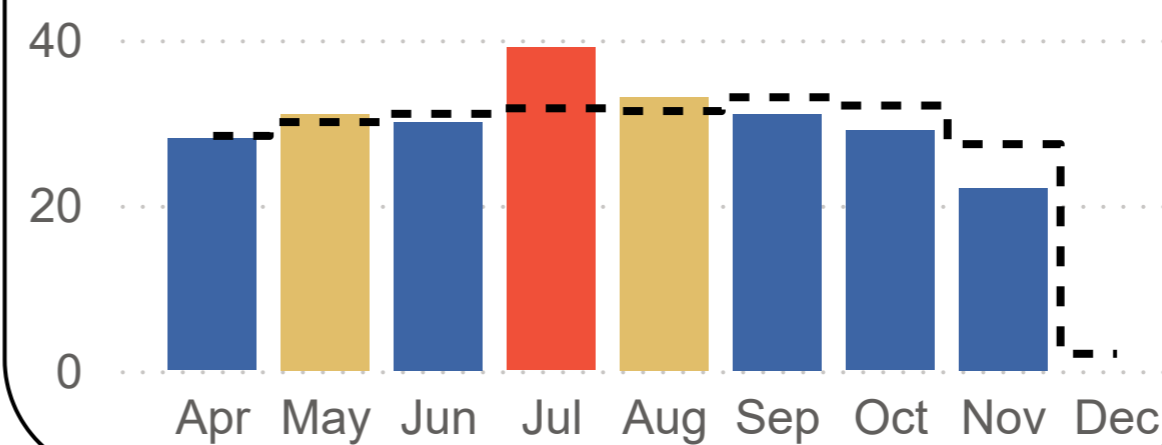
Accidental Dwelling Fires



Deliberate Fires

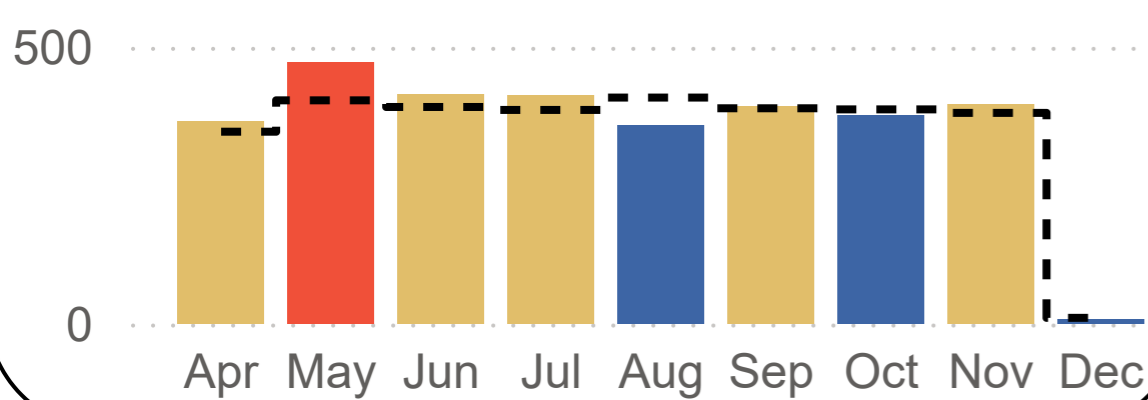


Non-domestic Building Fires

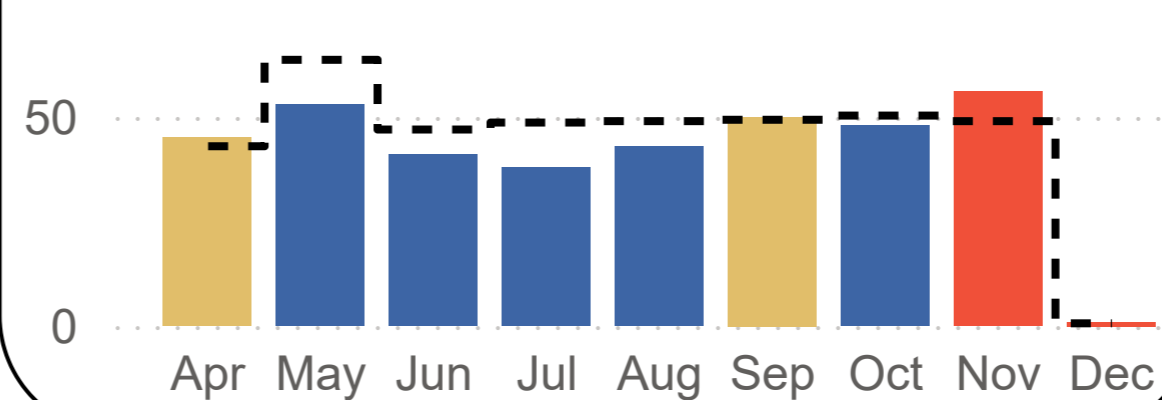


Non-fires

Non-fires



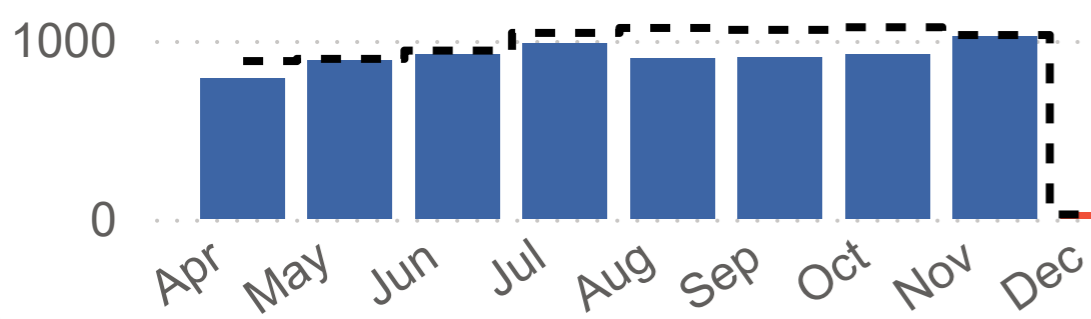
Road Traffic Collisions



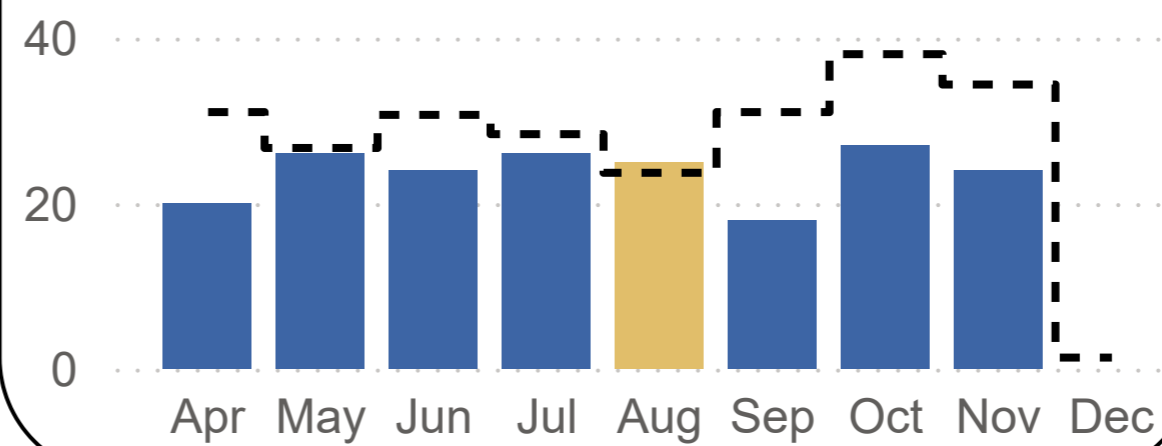
*Road Traffic Collisions are a subset of Non-fires

False Alarms

False Alarms



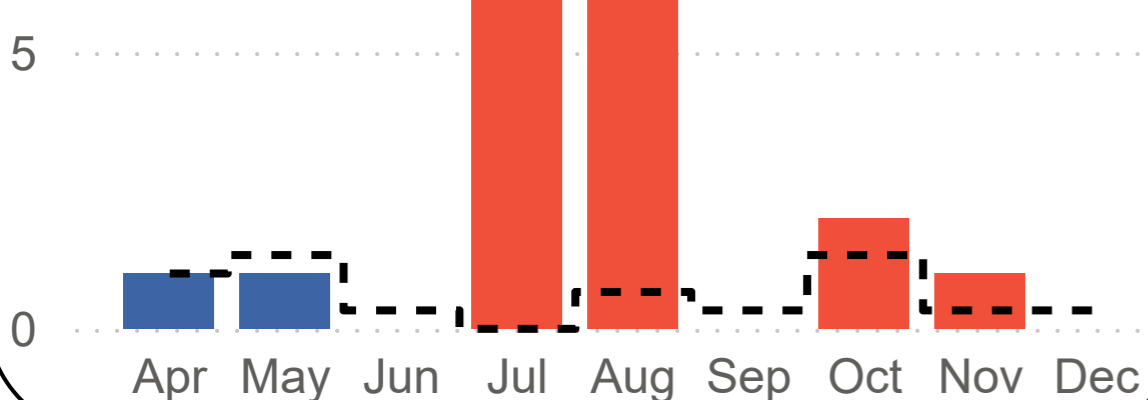
Malicious False Alarms



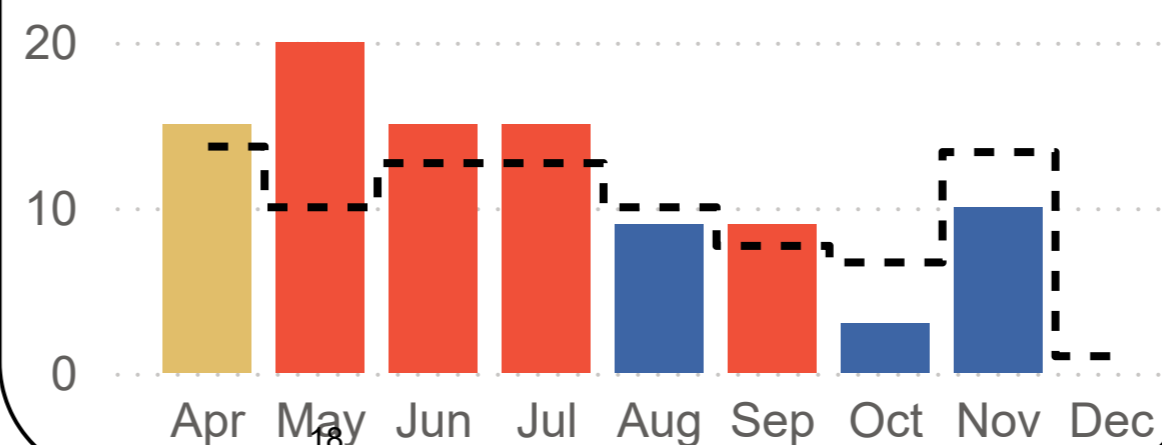
*Malicious False Alarms are a subset of False Alarms

Fire Related Injuries and Fatalities

Fire Related Fatalities



Fire Related Injuries



OFFICIAL

Agenda item: 07

Risk Management Strategy Group Update

Audit Committee

Date:	7 February 2025
Submitted by:	Director of Corporate Services
Purpose:	To report risk management activity and developments reported to Risk Management Strategy Group (RMSG) in December 2024 and highlight any future risks or risk related areas.
Recommendations:	That Members 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. john.tideswell@westyorkshire.gov.uk ; T: 01274 682311
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.

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.

- 1.2 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 2024. 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 2024 and December 2024 RMSG meetings, 17 risks have been reviewed by their respective owners.
- There were no changes in risk scores for the 17 risks that were reviewed.
- A new section has been added to the risk matrix titled Monitored Potential Risks. This section is for risks that may affect the Authority in the future, yet at this moment in time further information is required prior to a decision being made as to whether the risk should become a standard risk on the matrix and then be subject to the periodic review process.
- A gap analysis has been undertaken against the ISO 31000 Risk Management Standard. The main areas that need to be reviewed relate to evaluation of the complete risk management system and the evaluation of risks against the Authorities risk criteria/appetite.
- A training day/workshop relating to crisis management/strategic response has been scheduled for February and will be delivered by the Emergency Planning College to all members of the Senior Leadership Team.
- Exercises relating to our corporate risks for cyber, fuel and pandemics have been scheduled for 2025. The exercises will aim to test our relating business continuity plans, response and recovery plans, refresh staff knowledge and understanding, and identify any areas for further development.

2.3 There are currently 43 risks split between the following categories. The table below shows movement over the past 12 months.

Risk Factor Score	March 2024	June 2024	September 2024	December 2024
Very High (15-25)	8	8	8	8
High (9-14)	17	16	16	16
Medium (4-8)	18	19	19	19
Low (1-3)	1	0	0	0
Total number of risks	44	43	43	43

The 8 'very high' risks are:

- LRGG1.S - Loss or reduction in government grant.
- WAFL1.S - Wide area flooding and swift water rescue.
- ECON1.S - Impact on the Authority of the national and international economic downturn.
- INDA1.S - Industrial dispute resulting in reduced levels of service and effect on reputation.
- 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.

All risks on the corporate risk matrix are reviewed at least once per year, which includes their relating mitigating actions/control measures.

3. Financial Implications

There are no financial implications arising from 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 resources and diversity implications arising from this report.

6. Equality Impact Assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance?: No

7. Health, Safety and Wellbeing Implications

There are no health and safety implications arising from this report.

8. Environmental Implications

There are no environmental implications associated with this report.

9. Your Fire and Rescue Service Priorities

This report links with the Community Risk Management Plan 2022-25 strategic priorities below:

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

10. Conclusions

That Members note the report.

OFFICIAL

Agenda item: 08

Internal Audit Quarterly Report

Audit Committee

Date:	7 th February 2025
Submitted by:	Director of Finance and Procurement
Purpose:	To present the Internal Audit Quarterly Report October to December 2024
Recommendations:	That members note the content of the report
Summary:	This report provides a summary of the audit activity for the period October to December 2024 and to report the findings to the Committee.

Local Government (Access to information) Act 1972

Exemption Category:	Nil
Contact Officer:	Alison Wood, Director of Finance and Procurement Alison.wood@westyorkshire.gov.uk 07500 075362
	Simon Straker, Internal Audit Manager Simon.straker@kirklees.gov.uk 01484 221000

Background papers open to inspection:	Individual Internal audit reports
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 2024.
- 1.2 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

- 1.3 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

2.1 Audit Work

This report contains an update on audit work included within the 2024/25 audit plan. In the period October to December 2024, two audits have been completed, both of which received substantial assurance.

Two planned audits for Q4 2024/25 have been deferred to 2025/26; the audit on the implementation of the Grenfell Recommendations and the audit of the rebuild of Keighley Fire Station.

There are three audits are currently work in progress.

3. Financial Implications

- 3.1 There are no 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 human resource and diversity implications associated with this report.

6. Equality Impact Assessment

6.1 Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance?: No

7. Health, Safety and Wellbeing Implications

7.1 There are no health, safety and wellbeing 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 with the Community Risk Management Plan 2022-25 strategic priorities below:

- Provide ethical governance and value for money.

10. Conclusions

10.1 This report has updated members with the internal audits conducted within the third quarter of 2024/25, October to December.



INTERNAL AUDIT QUARTERLY REPORT

2024/25

October to December

2024

ABOUT THIS REPORT

This report contains information about the work of the Authority's Internal Audit provided by Kirklees Council. The 2024/25 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.

Explanation of Recommendations and Assurance Levels

Classification of Recommendations

Each recommendation is classified as follows:

Fundamental – A recommendation, often requiring immediate action that is key to maintaining an appropriate control environment and thereby avoiding exposure to a significant risk to the achievement of the objectives of the system, process, or location under review.

Significant – A recommendation requiring action that is necessary to improve the control environment and thereby avoid exposure to a risk to the achievement of the objectives of the system, process, or location under review.

Merits Attention – A recommendation where action is advised to enhance control or improve operational efficiency.

Assurance Level

The number and classification of recommendations determines the opinion on the level of assurance derived from the audit as follows:

Assurance Level	Recommendation Classification		
	Fundamental	Significant	Merits Attention
Substantial	There are no fundamental recommendations	There are no more than one significant recommendation	There are no more than 5 merits attention recommendations.
Adequate	There are no fundamental recommendations	There are 2 – 4 significant recommendations	There are 6 – 10 merits attention recommendations
Limited	There is 1 or more fundamental recommendations	There are more than 4 significant recommendations	There are more than 10 merits attention recommendations
No Assurance	The number of fundamental recommendations made reflects an unacceptable control environment	N/A	N/A

The opinion reflects both the adequacy of the control arrangements and the extent to which they are applied as follows:

Assurance Level	Control Adequacy	Control Application
Substantial	A robust framework of all key controls exists that are likely to ensure that objectives will be achieved.	Controls are applied continuously or with only minor lapses.
Adequate	A sufficient framework of key controls exists that are likely to result in objectives being achieved but the overall control framework could be stronger.	Controls are applied but with some lapses.
Limited	Risk exists of objectives not being achieved due to the absence of a number of key controls in the system.	Significant breakdown in the application of a number of key and / or controls.
No Assurance	Significant risk exists of objectives not being achieved due to the absence of key controls in the system.	Serious breakdown in the application of key controls.

1. **SUMMARY**

This report contains details of work completed during the third quarter of 2024/25, covering the current Plan approved by the Committee at the start of the year.

Each audit produced a positive assurance opinion, albeit that where appropriate recommendations have been agreed to strengthen the control environment.

2. **SPECIAL INVESTIGATIONS & REVIEWS**

None during this period.

3. **KEY FINANCIAL SYSTEMS & RISKS**

None during this period.

4. **OTHER FINANCIAL SYSTEMS & RISKS**

System	Findings	Audit Opinion
Director of Finance & Procurement		
National Fraud Initiative 2024/25	Work has commenced to review exception reports produced from matching data from the Payroll and Account Payments systems to that from other public sector participants. The outcome will be reported in the next quarterly report.	

Director of Service Delivery

Efficiency & Productivity Plan 2024/25

As part of Spending Review 2021, the National Fire Chiefs' Council and the LGA committed the fire and rescue service sector in England to increasing the productivity of wholetime firefighters by 3 per cent, and to increasing the efficiency of fire and rescue services by 2 per cent by 2024/25.

Fire and rescue authorities were already required to produce annual efficiency plans under the National Framework requirements. There is no prescribed format set by the Home Office for a Plan, although it is expected to draw upon a variety of sources including the national targets, resource optimisation, financial sustainability, operational efficiency and community impact. Overall, the Plan is part of a broader effort to ensure that fire and rescue services can continue to provide high-quality services while managing budget constraints and increasing demands.

The key finding is that assurance was obtained that the data used in the Authority's Efficiency and Productivity Plan 2024/25 as published on the website is consistent with the source documentation held by the Finance department; where the narrative in the Plan outlines factual information, this is accurate; where the narrative in the Plan relates to future estimates, these were noted to be consistent with the underlying data. The format and level of detail in the Plan compares favourably to those produced by other authorities.

Some areas of improvement were identified for subsequent annual plans, especially those which lacked quantitative data in relation to improved productivity. Efficiency savings described were more clearly discernible from the data trail.

Substantial Assurance

Director of Service Support

<p>Headquarters Re-development - Main Contract</p>	<p>Following the handover of the site by the main contractor, a detailed review was undertaken of payments and supporting documentation since the interim audit last year. Total payments to date sum circa £30m and are largely made up of the delivery of planned items at specified rates included in the original contract, £25.2, supplemented by the addition of approved compensating events, some 170+, £4.8m, which either related to circumstances that could not have been reasonably foreseen and did not form part of the risk accepted by the main contractor, or which were added by the Service as client once the contract commenced.</p> <p>The second category was assessed as representing the higher risk as it had not been won in competition and often required a decision to approve or reject at pace. Therefore, these items were examined in the most detail.</p> <p>Overall, the audit trail from payment back to consultant’s valuation, to project manager authorisation (including Programme Board approval where required) and to quotation approval was found to be robust and supporting documentation, corroborated invoices and quotations. Evidence found showed the project manager and colleagues were thorough and steadfast in challenging their counterparts in relation to both items and prices claimed which were not the Authority’s responsibility, or where amounts claimed were unsubstantiated or unreasonable. It was noted that two or three areas of significant “expenditure” are still in dispute and may need to be resolved through formal arbitration.</p>	<p>Substantial Assurance</p>
<p>Keighley Fire Station Re-development</p>	<p>Progress with this project has been less than expected owing to various circumstances and the final account will not be ready for review until 2025/26.</p>	

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.

None during this period.

Management requested that the planned review of the risks of (not) implementing recommendations arising from the Grenfell Enquiry be deferred until later in 2025.

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 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 Major Projects Strategic Finance Group that meets on a monthly basis, which is chaired by the Director of Finance & Procurement / Director of Service Support.

10. AUDIT PLAN 2024/25 DELIVERY

	<u>Planned for Quarter</u>	<u>Status</u>
Audit Opinion on Internal Control		
• Accounts Payable Key Controls	1	Complete
• Absence Management*	2	Deferred to Q4 at Management request
• National Fraud Initiative 2024/25 – exception reports due January 2025	4	Ongoing
• Water Office	1	Complete
• Procurement Act 2023 compliance preparedness	2	Complete
• 2023/24 Efficiency & Productivity Plan Delivery	3	Complete
• HQ Building Contract	4	Complete
• Keighley Fire Station Project	3	Deferred to 2025/26
Audit Opinion on Governance		
• Corporate Governance and Ethics	2	Planned for Q4
Audit Opinion on Risk Management		
• Implementation of Grenfell Recommendations	4	Deferred to 2025/26
• Commercial Premises Risk Management System	4	Planned for Q4
• Counter Fraud & Corruption	1	Complete
Consultancy		
per Terms of Reference agreed with the respective Boards		
• FSHQ Development Programme – Finance Board		
• ESN Programme SROs		

160 Days in Total per SLA

*Management Board request

Performance Indicators	23/24 Actual	24/25 Target	24/25 Actual
Audits completed within the planned time allowance	90%	80%	100%
Draft reports issued within 10 days of fieldwork completion	100%	90%	100%
Client satisfaction in post audit questionnaires	90%	90%	n/a
Chargeable audit days	145	160	83
QA compliance sample checks – % pass	100	100	100
Planned Audits Completed	11	12	6
Planned Audits in Progress	0		3
Planned Audits Postponed	2		2
Unplanned Work requested by Executive Leadership Team Completed	2		0
Unplanned Work in Progress	0		0

West Yorkshire Fire and Rescue Authority

**Interim Auditor's Annual Report for the
year ended 31 March 2024**

January 2025



Contents

Section	Page
Introduction	3
Executive summary	4
Opinion on the financial statements and use of auditor's powers	7
Value for Money commentary on arrangements	10
The current landscape	11
Financial sustainability	12
Governance	14
Improving economy, efficiency and effectiveness	17
Recommendations raised in 2023-24	21
Appendices	
Appendix A – Responsibilities of the Audited Body	25
Appendix B – Value for Money Auditor responsibilities	26



We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you.

In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. 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.

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No.OC307742. Registered office: 30 Finsbury Square, London, EC2A 1AG. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

Introduction



Purpose of the Auditor's Annual Report

This report brings together a summary of all the work we have undertaken for West Yorkshire Fire & Rescue Authority ("the Authority") during 2023-24 as the appointed external auditor. The core element of the report is the commentary on the Value for Money (VfM) arrangements.

The Authority is responsible for West Yorkshire Fire & Rescue Service ("WYFRS"). All Fire and Rescue Authorities are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The Authority's responsibilities are set out at Appendix A.

Fire & Rescue Authorities report on their arrangements, and the effectiveness of these arrangements, as part of their Annual Governance Statement.

Responsibilities of the appointed auditor

Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Authority as at 31 March 2024 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023-24
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

Value for money

We report our judgements on whether the Authority has proper arrangements in place regarding arrangements under the three specified criteria:

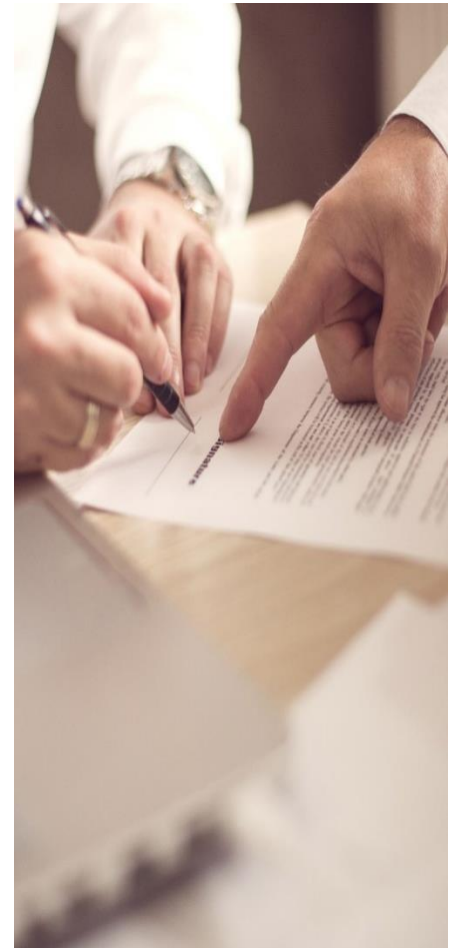
- financial sustainability
- governance
- Improving economy, efficiency and effectiveness.

The Value for Money auditor responsibilities are set out at Appendix B.

Auditor powers

Auditors of a local authority have a duty to consider whether there are any issues arising during their work that require the use of a range of auditor's powers.

These powers are set out on page 9 with a commentary on whether any of these powers have been used during this audit period.



Executive summary



Executive summary

Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to consider whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The NAO has consulted and updated the Code to align it to accounts backstop legislation. The new Code requires auditors to share a draft Auditors Annual Report ("the Report") with those charged with governance by a nationally set deadline each year (30 November) and for the audited body to publish the Report thereafter. These new requirements will be introduced from November 2025. As a Firm, we are committed to reporting the results of our local audit work on as timely a basis as possible. Our summary findings are set out below. Our recommendations and management responses are summarised in the section starting on page 21.



Financial sustainability

In 2023-24, the Authority reported a balanced net financial position against its annual revenue budget. The Authority has approved a balanced revenue budget for 2024-25 within its Medium Term Financial Plan ("MTFP") covering the four years to 2027-28. Future budget gaps are relatively small placing the Authority in a relatively healthy financial position. A financial gap totalling only £1 million (0.3% of the revenue budget) have been identified in the financial plans for 2025-26 onwards. The Authority has earmarked reserves available to mitigate the budget gaps and has also started to explore options for future efficiencies and savings. The MTFP approved by the Authority in February 2024 forecasts that the Authority's general reserves will be maintained at £5.7 million over the next four years, whilst reserves earmarked to fund capital expenditure will be used to fund the Fire Service Headquarters development as well as other significant works in Fire Stations across the county. We also note that His Majesty's Inspectorate of Constabulary and Fire & Rescue Services ("HMICFRS") reported that the Authority operates at a lower cost per head of population compared to the average for England.

Based on our areas of focus and evidence considered, we have not identified evidence of significant weakness within the arrangements in place, nor any recommendations for improvements in arrangements.



Governance

The Authority takes assurance from risk management processes, the effectiveness of internal controls, decision making processes, arrangements to ensure appropriate standards are met and arrangements to prevent and detect fraud.

Based on our areas of focus and evidence considered, we have not identified evidence of significant weaknesses within the arrangements in place, however, we have identified a small number of opportunities for improvements in governance arrangements. As such, we have raised two improvement recommendations.



Improving economy, efficiency and effectiveness

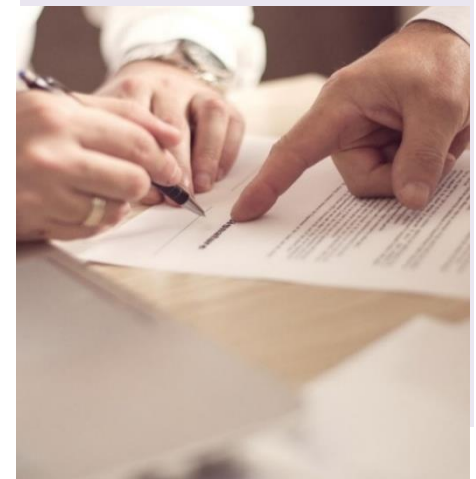
The Authority regularly receives information on its performance against a range of measures and has also received updates on improvement action plans. HMICFRS published the results of an inspection of the Authority in July 2024, reporting that good progress had been observed since the previous inspection round. The Authority was rated as good in seven areas, with two areas assessed as adequate and one area identified as requiring improvement. This represented a positive achievement for the Authority. The Authority actively collaborates with local partner organisations including West Yorkshire Police, Yorkshire Ambulance Service and the West Yorkshire Local Resilience Forum.

Based on our areas of focus and evidence considered, we have not identified evidence of significant weaknesses within the arrangements in place, but we have identified a small number of opportunities for improvements in arrangements to ensure the Authority manages improving economy, efficiency and effectiveness. As such, we have raised two improvement recommendations.



Our audit of your financial statements remains in progress. Our aim is to complete as much testing as possible of 2023-24 income and expenditure transactions and the closing balance sheet at 31 March 2024, in the context of a lack of assurance on your opening balances resulting from the disclaimed audit opinion on the 2022-23 financial statements issued by your previous auditor. Our Audit Findings Report is due to be presented to the Audit Committee on 27 February 2025, ahead of the 'backstop' date of 28 February 2025.

Our summary findings are set out in further detail on page 8.



Executive summary (continued)



Overall summary of our Value for Money assessment of the Authority's arrangements

Auditors are required to report their commentary on the Authority's arrangements under specified criteria and 2023-24 is the fourth year that these arrangements have been in place. At the time of this report, your previous external auditor is yet to issue their Auditor's Annual Report for 2022-23. Therefore, we have had to produce commentary without knowledge of the outcome of the Value for Money work for the prior audit period. We will be mindful of any findings from your previous external auditor once they report and may need to revisit our interim findings as a result.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. A summary of our judgements are set out in the table below.

Our findings should be seen as a positive reflection of the Authority's arrangements in place, coupled with the HMICFRS report showing lower spend per head of population and a majority of areas assessed as 'good' by the regulator.

Criteria	2022-23 Auditor judgement on arrangements	2023-24 Risk assessment	2023-24 Auditor judgement on arrangements
Financial sustainability	No significant weaknesses in arrangements identified.	No risks of significant weakness identified.	G No significant weaknesses in arrangements identified, and no improvement recommendations identified. More information is provided in the detailed findings section of this report, starting on page 12.
Governance	No significant weaknesses in arrangements identified.	No risks of significant weakness identified.	A No significant weaknesses in arrangements identified, but two improvement recommendations have been made to support the Authority in continuing to improve its arrangements. These relate to internal audit reporting, budget monitoring reports and standardised reporting templates. More information is provided in the detailed findings section of this report, starting on page 14.
Improving economy, efficiency and effectiveness	Under the audit backstop provisions, no judgement or reporting was required for this criteria for 2022-23.	No risks of significant weakness identified.	A No significant weaknesses in arrangements identified, but two improvement recommendations have been made to support the Authority in continuing to improve its arrangements in relation to reporting performance data and collaboration activity, as well as monitoring and reporting of contract management activity. More information is provided in the detailed findings section of this report, starting on page 17.

G	No significant weaknesses in arrangements identified or improvement recommendation made.
A	No significant weaknesses in arrangements identified, but improvement recommendations made.
R	Significant weaknesses in arrangements identified and key recommendations made.

Opinion on the financial statements and use of auditor's powers



Opinion on the financial statements



Audit opinion on the financial statements

Our work on the audit of the 2023-24 financial statements is still in progress.

Our Audit Findings Report, including draft audit opinion on the financial statements, is due to be presented to the Audit Committee in February 2025.

Grant Thornton provides an independent opinion on whether the Service's financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2024 and of its expenditure and income for the year then ended, and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We conducted our audit in accordance with:

- International Standards on Auditing (UK)
- the Code of Audit Practice (2020) published by the National Audit Office, and
- applicable law

We are independent of the Authority in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Findings from the audit of the financial statements

Our work on the audit of the 2023-24 financial statements is still in progress.

Audit Findings (ISA260) Report

We report the detailed findings from our audit in our Audit Findings Report. A final version of our report will be presented to the Authority's Audit Committee on 27 February 2025. Requests for this Audit Findings Report should be directed to the Authority.

Use of auditor's powers

We bring the following matters to your attention:

	2023-24
<p>Statutory recommendations</p> <p>Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors can make recommendations to the audited body which need to be considered by the body and responded to publicly.</p>	<p>We did not make any recommendations under Schedule 7 of the Local Audit and Accountability Act 2014.</p>
<p>Public Interest Report</p> <p>Under Schedule 7 of the Local Audit and Accountability Act 2014, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.</p>	<p>We did not issue a public interest report.</p>
<p>Application to the Court</p> <p>Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think that an item of account is contrary to law they may apply to the court for a declaration to that effect.</p>	<p>We did not make an application to the Court.</p>
<p>Advisory notice</p> <p>Under Section 29 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if the auditor thinks that the authority or an officer of the authority:</p> <ul style="list-style-type: none"> • is about to make or has made a decision which involves or would involve the authority incurring unlawful expenditure, • is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or • is about to enter an item of account, the entry of which is unlawful. 	<p>We did not issue any advisory notices.</p>
<p>Judicial review</p> <p>Under Section 31 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure by an authority to act, which it is reasonable to believe would have an effect on the accounts of that body.</p>	<p>We did not make an application for judicial review.</p>

Value for Money Commentary on arrangements



The current landscape

It is within this context that we set out our commentary on the Authority's value for money arrangements in 2023-24 and make recommendations where any significant weaknesses or improvement opportunities in arrangements have been identified.

National context



The Fire & Rescue sector in England remains challenged. In recent years, generationally significant levels of inflation have put pressure on revenue and capital expenditure, whilst demand for services has remained high with the sector seeing increasing demand stemming from emergencies relating to climate change. At the same time, uncertainty over funding levels following a series of single year funding settlement announcements from central government has impacted Fire and Rescue Services' ability to plan for the future.

In 2022, a Fire Reform White Paper was published which introduced the possibility of changes to governance arrangements in the Fire & Rescue sector. In 2023, the Minimum Service Levels Act was introduced, which has significant implications for the workforce of Fire and Rescue Services.

Following a change of government in July 2024, the content and timing of future changes to government policy relating to the Fire & Rescue sector, including the timing of the expected reversal of the Minimum Service Levels Act, are at present uncertain.

Following several national high-profile incidents, the performance of fire authorities in immediately responding to such incidents has been the focus of increased public scrutiny. There has also been an ask of fire authorities to have greater input in building safety including the design of evacuation routes and procedures, and the rectification of known building deficiencies, with a significant amount relating to external cladding.

Local context

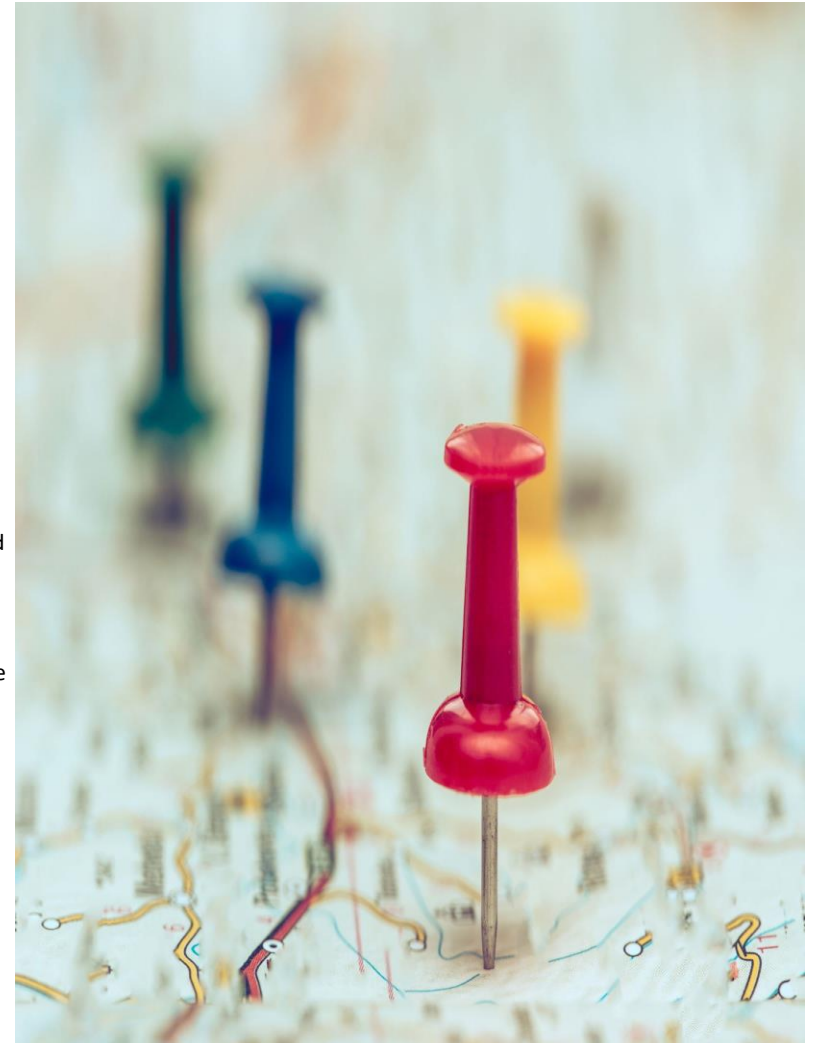


The Authority covers the fourth largest metropolitan Fire & Rescue Service in England, serving a population of around 2.4 million residents over an area of roughly 800 square miles.

The Authority is made up of 22 local councillors who are nominated by the five District Councils in West Yorkshire (Bradford, Calderdale, Kirklees, Leeds and Wakefield). Authority members direct the purpose, objectives, priorities and values of the Authority and are responsible for the provision of an effective and efficient FRS. WYFRS is led by the Chief Fire Officer, who is responsible for leading the service, providing direction and improvement as well as advising Authority members to support informed decision making.

The Authority has established a Community Risk Management Plan ("CRMP") for the four years from 2022 to 2025. The CRMP sets out how the Authority plans to achieve its ambition of "Making West Yorkshire Safer" through a process of understanding risks and vulnerabilities so that resources can be aligned to risk profiles throughout the region. The CRMP also details the Authority's eight strategic priorities and covers the four strategic service areas (prevention, protection, response and resilience).

The Authority's capital plan includes projects of significant value and scope, incorporating refurbishment and redevelopment of fire stations as well as a new Fire Service Headquarters which opened in November 2024.



Financial sustainability



We considered how the audited body:

Commentary on arrangements

Assessment

<p>ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;</p>	<p>In 2023-24, the Authority reported a balanced net financial position against the revenue budget and made transfers into earmarked reserves of £7.7 million. A similar position was reported for 2022-23, demonstrating the Authority’s good achievement in maintaining a relatively strong financial position in recent years.</p> <p>The Authority has an approved budget in place for 2024-25 which forms part of the refreshed Medium Term Financial Plan (“MTFP”) covering the four years to 2027-28. Our review found the assumptions supporting the budget and MTFP were reasonable. No new efficiencies or savings were required to balance the Authority’s revenue budget for 2024-25.</p> <p>The MTFP, approved by the Authority in February 2024, forecasts that the Authority’s general reserves (held for the purpose of managing the impact of uneven cash flows and unexpected events or emergencies) will be maintained at £5.7million over the four years of the plan, which is the level determined by the Chief Finance Officer as being appropriate for the Authority and an increase of £0.7million since 2022-23. The Authority’s general fund reserves equate to around 5% of the annual net revenue budget in 2024-25, in line with guidance in the National Fire Framework. At the end of 2023-24, the Authority held around £15million in its capital finance reserve; this reserve is expected to be fully expended by the end of 2025-26 to fund the redevelopment of the Fire Service Headquarters and other Fire Stations across the county.</p>	<p>G</p>
<p>plans to bridge its funding gaps and identifies achievable savings</p>	<p>The successful delivery of efficiency and productivity initiatives in prior years (which are now built into the base budget position) and a £5 precept increase for 2023-24 meant that the Authority was able to set balanced budgets for both 2023-24 and 2024-25 without reliance on savings plans.</p> <p>The MTFP approved in February 2024 identified total funding gaps of around £1 million over the three years to 2027-28, equating to around 0.3% of the total net budget requirement over this period (£355 million). In our view, the budget gaps currently identified are not significant in the context of the overall financial position of the Authority. Furthermore, the Authority has an earmarked reserve (the Medium Term Funding Impact Reserve, with a balance of £2 million at the end of 2023-24) which is available to support the financial position if required. We also understand that the Authority has begun exploring options for future savings and efficiencies, recognising that use of reserves to mitigate budget gaps is not sustainable beyond the short term. We will reconsider the extent of budget gaps in our future VFM audit work.</p>	<p>G</p>

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

Financial sustainability (continued)



We considered how the audited body:

Commentary on arrangements

Assessment

plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

The Authority's strategic objectives as set out in the Community Risk Management Plan ("CRMP") 2022-25 and the Annual Programme of Change are consistent with financial plans developed for 2024-25 and the MTFP. The MTFP is supported by a 5-year capital plan which includes plans for the capital investment in operational buildings, vehicles, operational equipment and ICT required to support the Authority's achievement of its strategic objectives. The MTFP and capital plan are clearly linked to the Treasury Management Strategy, reflecting funding of capital investment through a mix of contributions from the revenue budget, capital receipts, earmarked reserves and new borrowing. The Authority been prudent in setting aside a substantial capital reserve to support the funding of its capital programme.

In 2023-24, the Authority participated in financial benchmarking work coordinated by the National Fire Chiefs Council. This work has contributed to a better understanding of the higher cost areas of spend, where the Authority is potentially operating at a higher cost than other similar Fire & Rescue Services. The work also identified areas of relatively lower cost for the Authority, compared to the comparator group. The 2024 HMICFRS inspection report confirms that the Authority's expenditure per head of population was lower than the average for England in 2022-23, suggesting no significant efficiency improvements are required for the Authority.

G

ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system

The Authority's annual planning process considers the requirements of the CRMP and annual Programme of Change. Relevant financial and non-financial information (such as workforce plans and the revenue implications of the capital plan and Environmental Sustainability Strategy), is reflected in the annual budget and the MTFP. The Authority also included provision in the 2024-25 budget to produce a carbon reduction roadmap.

G

identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans

Risks to financial resilience are reported to the Finance & Resources Committee, which meets quarterly. Areas of risk are identified using variances between forecast outturn and the approved budget, with explanations provided for significant variances including mitigating actions identified. The Authority has also identified external risks to its financial sustainability such as uncertainty over future funding settlements from central government, inflationary pressures and increased pension costs. Earmarked reserves have been established to help manage these areas of risk. In addition, the 2024-25 annual budget approved in February 2024 included a contingency of £0.45million in recognition of potential financial risks not captured within the annual budget. Any forecast areas of underspend are transferred into the contingency budget during the year to maintain strong budgetary control.

G

Budget papers presented to Fire Authority members in February 2024 set out the implications of varying assumptions in relation to pay awards and precept increases. The Authority has also considered the financial implications of different scenarios for future funding settlements from central government.

Governance



We considered how the Audited Body: **Commentary on arrangements**

Assessment

<p>monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud</p>	<p>The Authority has arrangements in place to identify, understand and record risks. The Authority's Risk Management Strategy and Policy was last updated in 2022. Risks are monitored by the Risk Management Strategy Group, which provides regular updates to the Audit Committee.</p> <p>The Internal Audit service provides annual assurance over the adequacy of internal controls, including the risk management framework. A summary of progress against the annual Internal Audit plan is presented at each meeting of the Audit Committee. We have identified opportunities to strengthen the Audit Committee's oversight of the work of Internal Audit, as set out on page 16, by including more detailed reporting on recommendations.</p> <p>The Authority has adequate arrangements for the prevention and detection of fraud, including appropriate policies and procedures.</p>	<p style="text-align: center; background-color: #FFD700;">A</p>
<p>approaches and carries out its annual budget setting process</p>	<p>The Authority has a well-established annual budgeting process for revenue and capital expenditure, which feeds into the annual refresh of the MTFP and capital plan. A standstill budget is prepared based on the prior year budget adjusted for increases in pay and prices as well as other technical adjustments, and this is presented in comparison to the proposed budget which reflects areas of growth and cost pressure. Revenue and capital budgets are approved by the Fire Authority each year in February.</p>	<p style="text-align: center; background-color: #90EE90;">G</p>
<p>ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships</p>	<p>The Authority has a small finance team which management is seeking to strengthen through the recruitment of new staff. However, attracting interest from suitably qualified and experienced candidates has proven to be challenging, a common issue within the public sector finance domain. We acknowledge management's ongoing efforts and will consider the progress made during our next VFM audit.</p> <p>The Finance & Resources Committee receives quarterly financial update reports that present the forecast year-end position against the revenue budget, along with details of areas of projected under- or over-spending and a high-level summary of reasons for variances. The report also includes a section on capital spending, providing a high-level narrative update on the progress of projects in the capital programme and an analysis in the appendix setting out slippage on each scheme and budget variances by directorate. Although our review of the reports provided to the Committee in 2023-24 identified that more information could be provided to increase transparency of performance against the capital plan, review of more recent reports indicate that appropriate detail has been provided to members. In addition to the quarterly financial update, two Treasury Management Reports are presented to the Finance & Resources Committee each year.</p>	<p style="text-align: center; background-color: #90EE90;">G</p>

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

Governance (continued)



We considered how the Audited Body: **Commentary on arrangements**

Assessment

<p>ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from Audit Committee</p>	<p>The Authority and Committee structure is outlined in the Authority's Constitution, which sets out how the Authority operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to the local community. The Constitution was recently reviewed, in June 2024.</p> <p>From our review of a sample of Authority and Committee papers, we found that decisions are supported by sufficiently detailed information to facilitate appropriate levels of challenge and debate. All Authority and Committee papers are supported by a standard reporting template, providing an overview of the action or decision to be made and a summary of implications from financial, legal, human resource and diversity, health, safety & wellbeing, and environmental perspectives, as well as details of Equality Impact Assessment requirements and references to the relevant strategic priorities in the CRMP. We did not identify any evidence of inappropriate decision making, but we have included an improvement recommendation that the reporting template should highlight implications from a risk management and collaboration duty perspective, as set out on page 16.</p>	<p>A</p>
<p>monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour and where it procures and commissions services.</p>	<p>The Authority's governance arrangements are set out in the Constitution which includes include the Standing Orders, Roles and Functions, Scheme of Delegation as well as supporting policies such as the Codes of Conduct for Members and Officers (including Gifts & Hospitality procedures), Financial Procedure Rules, Contract Procedure Rules, Whistleblowing Policy and Anti-Fraud, Theft and Corruption Strategy.</p> <p>Declarations of interest are a standing agenda item for all Authority and Committee meetings, and the Authority maintains records of interests and gifts and hospitality for Officers and Members.</p> <p>The Authority receives an annual report on Corporate Health which includes details on compliments and complaints received, customer service standards, whistleblowing reports, and "Say So" concerns raised anonymously.</p> <p>The Internal Audit service reviewed the Authority's preparedness for compliance with the Procurement Act 2023, reporting that the Authority has proactively prepared for the implementation of the new requirements by providing training to staff and identifying changes required to the Contract Procedure Rules.</p>	<p>G</p>

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

Governance (continued)



Areas for improvement

Internal audit reports

The Internal Audit service provides a quarterly update to the Audit Committee as well as an Annual Report.

Our review of internal audit reports identified opportunities for improvements in these reports, which would strengthen the oversight provided by the Audit Committee.

We noted that:

- Reports did not include details of recommendations raised from each review
- There were some inconsistencies between the main body of reports and appendices
- There was one occasion where the outcome of a review was not reported to the Audit Committee (the review of Corporate Governance, which was described as in draft with management in the April 2023 quarterly update; the outcome was not reported in the July 2023 quarterly update).

Improvement recommendation 1:

Internal audit reports to the Audit Committee could be enhanced by:

- including a summary of the number of recommendations raised following each audit and their implementation status (for example, the number implemented versus outstanding, the timeline for implementation, and the responsible action owner)
- ensuring that reports and appendices are internally consistent
- ensuring that the outcome of all reviews is reported to the Audit Committee.

Authority and Committee reporting templates

The Authority uses a standard format for covering reports presented to the Fire Authority and Committees. The standard format includes an introduction, financial implications, legal implications, HR and diversity implications, Equality Impact Assessment, health safety and wellbeing Implications, environmental implications, consideration of Fire & Rescue Service Priorities, and a conclusion.

However, it would also be good practice to include risk implications, so that any impacts on risks within the Risk Management Matrix are highlighted, and implications for the statutory duty to collaborate introduced by the Police & Crime Act 2017.

Improvement recommendation 2:

The Authority should consider expanding the standard reporting template to include:

- risk management implications
- implications for the duty to collaborate.

Improving economy, efficiency and effectiveness



We considered how the audited body:

Commentary on arrangements

Assessment

uses financial and performance information to assess performance to identify areas for improvement

The Fire Authority receives quarterly performance reports which include a summary analysis of performance against key indicators, direction of travel and comparison to the prior period followed by more detailed information. Our review found some opportunities to further enhance performance reporting by including more details on underlying drivers of performance and by linking performance indicators to strategic objectives. This is set out on page 19 of this report. Progress on delivery of the CRMP, via the annual Programme of Change, is reported quarterly to the Authority.

Performance data is sourced from the National Incident Reporting System as well internal HR and finance systems, feeding into the OneView system which allows managers and staff to monitor incident activity using real time data sets. The Authority has a Data Quality Policy and Information Governance Strategy and Policy. A data quality team performs data quality checks, although responsibility for data quality remains with Information Asset Owners.

The Authority has established arrangements to support learning from other organisations, including the National Fire Chiefs Council, National Operational Learning and Joint Organisational Learning frameworks and other Fire & Rescue Services. The Authority has used Home Office data to assess its performance against other Fire & Rescue Services in England, finding that despite recent increases in local Road Traffic Accidents in West Yorkshire, the level remains below that of comparative Fire & Rescue Services.

A

evaluates the services it provides to assess performance and identify areas for improvement

The Authority received a graded judgement of "good" in seven areas in its most recent HMICFRS inspection, published in July 2024. Two areas were judged as adequate, with one area judged to require improvement. Although direct comparison is difficult since the HMICFRS inspection framework has been revised, this represents good progress from the previous inspection report which identified two areas as requiring improvement – a positive achievement and direction of travel for the Authority.

In preparation for the recent inspection, the Authority developed an action plan to address the 13 areas for improvement identified by HMICFRS in 2022. Quarterly meetings between action owners and the Service Improvement and Assurance Team were used to monitor progress, which was regularly reported to senior officers. Action plans have also been developed for actions stemming from the HMICFRS thematic review on Values and culture in fire and rescue services (2023) and the HMICFRS thematic review on Standards of behaviour: The handling of misconduct in fire and rescue services (2024). Members were updated on progress against the action plans via reports presented to the Fire Authority and Audit Committee, as well as Strategic Member Briefings.

The Authority refreshes the four-year CRMP annually, updating the programme of change and areas of focus to reflect developments over the previous year. The Authority uses a Smarter Working approach to assist transformation and change in support of delivering the CRMP strategic objectives.

G

- G** No significant weaknesses in arrangements identified or improvement recommendation made.
- A** No significant weaknesses in arrangements identified, but improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendations made.

Improving economy, efficiency and effectiveness (continued)



We considered how the audited body:

Commentary on arrangements

Assessment

ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives

The Authority actively collaborates with local partners through participation in the:

- the West Yorkshire Tri-Service Collaboration Executive Board ("TSECB"), established in 2017 to facilitate collaboration among local partners in the fire and rescue, police, and ambulance sectors following the introduction of a duty to collaborate in the Policing and Crime Act 2017; and
- the West Yorkshire Local Resilience Forum ("West Yorkshire Prepared") established following the Civil Contingencies Act 2004.

Authority members are represented within the governance structures of the TSECB and are the lead authority on the Tri-Service Steering Group ("TSSG"). Although the TSECB has been established for six years, the Authority recognises that to date, progress in achieving significant changes has been limited due to challenges faced by each member body. Despite this, the Authority continues to work with its partners to progress workstreams covering demand and risk reduction, benchmarking and Multi-Agency Incident Transfer capabilities. Progress and options for the future approach to collaboration were presented to the Executive Committee in July 2023. In our view, members should receive an annual update on the work of the TSECB and this is included in an improvement recommendation on page 19.

The Annual Report of West Yorkshire Prepared was presented to the Community Safety Committee in October 2024, setting out the activities of the various sub-groups, joint exercises undertaken and incidents which have been managed. The 2024 HMICFRS inspection report highlighted that WYFRS has good arrangements in place to respond to emergencies with partners that make up the West Yorkshire Resilience Forum.

A

commissions or procures services, assessing whether it is realising the expected benefits

The Authority's Management Board has established a monthly Major Projects Strategic Finance Group to oversee the delivery of capital projects including the Fire Service Headquarters development. In addition, regular updates on programme of change projects including the Fire Service Headquarters development are presented to the Authority.

In 2023-24, the Authority commissioned an Internal Audit review of contract management arrangements in relation to the Fire Service Headquarters development project, the largest capital project ever undertaken by the Authority. Internal Audit concluded in their report in February 2024 that 'substantial assurance' could be taken on the effective operation of internal controls.

The Authority's Constitution includes Contract Procedure Rules which set out the responsibilities of contract managers to monitor and report on performance of suppliers. Training and standardised forms have been provided by the Procurement Team, but we have identified an opportunity to improve arrangements for oversight and reporting of contract management, as shown on page 19.

A

- G** No significant weaknesses in arrangements identified or improvement recommendation made.
- A** No significant weaknesses in arrangements identified, but improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendations made.

Improving economy, efficiency and effectiveness (continued)



Areas for improvement

Reporting of performance and collaboration activities

The Fire Authority receives quarterly performance reports which include a summary analysis of performance against key indicators, direction of travel and comparison to the prior period followed by more detailed information. However, our review identified that:

- performance reports did not provide details of causes or remedial actions, where areas of deteriorating or under performance were evident; and
- performance indicators are not clearly linked to the strategic objectives in the CRMP.

Inclusion of this information would enhance the Fire Authority's ability to understand performance issues and hold officers to account.

The West Yorkshire Tri-Service Collaboration Executive Board ("TSCEB") was established to allow emergency services in West Yorkshire to meet their statutory duty to collaborate under the Police and Crime Act 2017. The TSCEB meets once per year, and the Tri Service Steering Group (which supports the TSCEB) meets bi-monthly. The Executive Committee received updates on the work of the TSCEB in February 2021 and July 2023 (when a change in approach to address ongoing challenges in delivering workstreams was approved by members).

From July 2023, the approach has been to focus on gathering existing collaboration examples and pursuing mid-range, achievable, and low-risk workstreams, with larger initiatives progressing only if there is genuine tri-service interest, allocated resources, and business need.

In our view, annual reporting to members on the work of the TSCEB would increase transparency and oversight.

Improvement recommendation 3:

The Authority could improve its reporting arrangements by:

- Enhancing quarterly performance reports to include detailed information on areas of worsening or underperformance, such as underlying reasons and remedial actions being taken, and by linking performance indicators to strategic priorities in the CRMP; and
- Reporting annually to members on the progress of collaboration activities implemented via the West Yorkshire Tri-Service Collaboration.



HMICFRS

His Majesty's Inspectorate of Constabulary and Fire and Rescue Services ("HMICFRS") independently assesses the effectiveness and efficiency of police forces and fire and rescue services in the public interest.

Their work includes assessing and reporting on the efficiency, effectiveness and people of the 44 fire and rescue services in England.

External Auditors consider the outcome of these assessments when performing our VFM work.

Improving economy, efficiency and effectiveness (continued)



Areas for improvement

Contract management - monitoring and reporting

Contract monitoring is the responsibility of contract managers and takes place locally within relevant teams and departments. Training and standard forms have been provided to contract managers but there is no centralised oversight or record keeping for contract management activities; escalation procedures are not clearly defined.

In order to facilitate the Authority's realisation of expected benefits from contracts and minimise risks to service delivery, it would be good practice for the Fire Authority (or an appropriate Committee) to receive a regular update on significant contract management activity, with any performance exceptions highlighted as well as actions being taken in mitigation. This is particularly relevant for non-capital contracts, which would generally be monitored via the Major Project Strategic Finance Group.

Improvement recommendation 4:

The Authority should consider whether it is sufficiently assured that contract management activity is robust and consistently applied. This could be demonstrated by regular reporting of contract management activity to members of the Fire Authority or Finance & Resources Committee to confirm that:

- regular reviews of existing contracts are taking place
- monitoring of contract performance and deliverables against key performance indicators and other measures is being undertaken
- action is being taken to address any areas where performance issues have been identified.



Value for Money Recommendations raised in 2023-24



Recommendations raised in 2023-24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
<p>Internal Audit reports to the Audit Committee could be improved by:</p> <ul style="list-style-type: none"> including a summary of the number of recommendations raised following each audit and their implementation status (e.g. the number implemented versus outstanding, the timeline for implementation, and the responsible action owner); ensuring that reports and appendices are internally consistent; and ensuring that the outcome of all reviews is reported to the Audit Committee <p>This would also increase consistency in Internal Audit reporting across West Yorkshire local authorities.</p>	Improvement	Governance	Review of Internal Audit reports to Audit Committee	Including additional details of recommendations and ensuring that reporting follows through from the agreed Internal Audit plan would enhance the Audit Committee's oversight of the work of Internal Audit	The Director of Finance and Procurement will work with the Head of Internal Audit to improve the reporting of internal audit recommendations both in the quarterly internal audit report and the annual audit report.
<p>The Authority should consider expanding the standard reporting template to include:</p> <ul style="list-style-type: none"> risk management implications implications for the duty to collaborate 	Improvement	Governance	Review of Authority and Committee papers	It is good practice to highlight risk management implications and implications for the statutory duty to collaborate under the Police & Crime Act 2017.	The Authority's reporting template will be amended to reflect this.

* Explanations of the different types of recommendations which can be made are summarised at Appendix B.

Recommendations raised in 2023-24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
<p>The Authority could improve its reporting processes by:</p> <ul style="list-style-type: none"> Enhancing quarterly performance reports to include detailed information on areas of worsening or underperformance, such as underlying reasons and remedial actions being taken, and by linking performance indicators to strategic priorities in the CRMP; Reporting annually to members on the progress of collaboration activities implemented via the West Yorkshire Tri-Service Collaboration. 	Improvement	Improving Economy, Efficiency and Effectiveness	Review of Authority and Committee papers	More frequent and more detailed reporting would increase transparency and oversight of performance and collaboration.	The Director of Corporate Services/Monitoring Officer and Head of Service Improvement and Assurance will ensure this is built into the work programme for Authority consideration and scrutiny.
<p>The Authority should consider whether it is sufficiently assured that contract management activity is robust and consistently applied. This could be demonstrated by regular reporting of contract management activity to members of the Fire Authority or Finance & Resources Committee to confirm that:</p> <ul style="list-style-type: none"> regular reviews of existing contracts are taking place; monitoring of contract performance and deliverables against key performance indicators and other measures is being undertaken; and action is being taken to address any areas where performance issues have been identified. 	Improvement	Improving Economy, Efficiency and Effectiveness	Review of contract management documentation	It is good practice for there to be centralised monitoring of contract management and for the Fire Authority (or an appropriate Committee) to receive a regular update on contract management activity, with any performance exceptions highlighted as well as actions being taken in mitigation.	<p>The Head of Procurement will develop a template for contract managers which will be used to record the outcomes of contract management meetings. This template will capture KPI's and contract performance. A risk assessment will be undertaken to identify which contracts will be reported to members.</p> <p>A summary of contract management activity will be included in the Annual Procurement Update which is presented annually in January to Finance and Resources Committee. Due to the timescales, the first update will be reported in January 2026.</p>

* Explanations of the different types of recommendations which can be made are summarised at Appendix B.

Appendices

Appendix A: Responsibilities of the Authority

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Chief Financial Officer (or equivalent) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Chief Financial Officer (or equivalent) determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Financial Officer (or equivalent) is required to prepare the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer (or equivalent) is responsible for assessing the Authority's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Authority will no longer be provided.

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B: Value for Money Auditor responsibilities



Value for Money arrangements work

All Fire & Rescue Authorities are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The audited body's responsibilities are set out in Appendix A.

Fire & Rescue Authorities report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

Financial Sustainability

Arrangements for ensuring the Authority can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).

Governance

Arrangements for ensuring that the Authority makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the Service makes decisions based on appropriate information.

Improving economy, efficiency and effectiveness

Arrangements for improving the way the Authority delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

2023-24 is the fourth year of the Code, and we undertake and report the work in three phases as set out in the Code.

Phase 1 – Planning and initial risk assessment

As part of our planning we assess our knowledge of the Authority's arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period

Information which informs our risk assessment	
Cumulative knowledge and experience of the audited body	Annual Governance Statement and the Head of Internal Audit annual opinion
Interviews and discussions with key stakeholders	The work of inspectorates and other regulatory bodies
Progress with implementing recommendations	Key documents provided by the audited body
Findings from our opinion audit	Our knowledge of the sector as a whole

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements, we will undertake further work to understand whether there are significant weaknesses. We use auditor's professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations. A range of different recommendations can be raised by the Authority's auditors as follows:

- **Statutory recommendations** – actions which should be taken where significant weaknesses are identified with arrangements. These are made under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014 and are required to be considered by the body and responded to publicly.
- **Key recommendations** – actions which should be taken by the Authority where significant weaknesses are identified within arrangements.
- **Improvement recommendations** – actions which should improve arrangements in place but are not a result of identifying significant weaknesses in the Authority's arrangements.

