

**Enquiries: Mrs J Head
Telephone: 01768 217734**

Our reference: JAC/jh

Date: 16 September 2024

AGENDA

TO: THE MEMBERS OF THE JOINT AUDIT COMMITTEE

CUMBRIA COMMISSIONER FIRE & RESCUE AUTHORITY - JOINT AUDIT COMMITTEE

A Meeting of the Joint Audit Committee will take place on **Wednesday 25th September 2024** in the **Conference Room 1, Police HQ, Penrith** at **11.00 am** and the **Control Room, Fire HQ Penrith**, at **1.30 pm**.

Times	Activity	Location
09:00-10:00	JAC Members private meeting with External Audit (Grant Thornton)	Conference Room 1, Police HQ Penrith
10:00-10:45	JAC Members private meeting	Conference Room 1, Police HQ Penrith
11:00-12:40	JAC Meeting – PFCC/Constabulary	Conference Room 1, Police HQ Penrith
12:40-13:30	Lunch Break	Conference Room 1, Police HQ Penrith
13:30-15:00	JAC Meeting – Fire	Control Room, Fire HQ Penrith
15:15-16:30	JAC Development Session – Fire	Various, Fire HQ Penrith

**Gill Shearer
Chief Executive**

Note: Members are advised that allocated car parking for the meeting is available in the Visitors' Car Park at the Police HQ.

Note: If members of the public wish to participate in this meeting please contact Mrs Head via email – commissioner@cumbria-pcc-gov.uk by 16 September 2024 for an invitation.

COMMITTEE MEMBERSHIP

Mrs Fiona Moore (Chair)

Mr Malcolm Iredale

Wing Commander (Retired) Tim Mann

Mr Jake Cornthwaite

Mr Mike Roper

AGENDA

PART 1 – ITEMS TO BE CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC

Note – Items to be considered by exception, it is assumed that members will have read all papers before the meeting.

Agenda Item	Agenda Item	Officer/Lead	Time (Est)
1	APOLOGIES FOR ABSENCE	Chair	13:00
2	<p>URGENT BUSINESS AND EXCLUSION OF PRESS AND PUBLIC</p> <p>To consider (i) any urgent items of business and (ii) whether the press and public should be excluded from the Meeting during consideration of any Agenda item where there is likely disclosure of information exempt under s.100A(4) and Part I Schedule A of the Local Government Act 1972 and the public interest in not disclosing outweighs any public interest in disclosure.</p>	Chair	13:00
3	<p>DISCLOSURE OF PERSONAL INTERESTS</p> <p>Members are invited to disclose any personal/prejudicial interest, which they may have in any of the items on the agenda. If the personal interest is a prejudicial interest, then the individual member should not participate in a discussion of the matter and must withdraw from the meeting room unless a dispensation has previously been obtained.</p>	Chair	13:00
4	<p>MINUTES OF MEETING AND MATTERS ARISING</p> <p>To receive and approve the minutes of the committee meeting held on 26 June 2024.</p>	Chair	13:10
5	<p>ACTION SHEET</p> <p>To receive the action sheet from previous meetings.</p>	Chair	13:15
6	<p>CORPORATE UPDATE</p> <p>To receive a short briefing note on matters relevant to the remit of the Committee</p> <p style="margin-left: 40px;">a) Fire & Rescue Service b) PFCC and CFRA</p>	Chief Fire Officer Chief Executive & Chief Finance Officer	13:20

7	INTERNAL AUDIT ANNUAL REPORT 23/24 To receive the Internal Audit Annual Report for 2023/24.	Director of Audit TIAA Ltd	13:35
8	TIAA INTERNAL AUDIT REMEDIAL ACTION PLAN To receive the Internal Auditors Remedial Action Plan	Director of Audit TIAA Ltd	13:45
9	INTERNAL AUDIT – ANNUAL AUDIT PLAN 2024/25 & PROGRESS REPORT To receive the Internal Auditors Annual Audit Plan for 2024/25.	Director of Audit TIAA Ltd	13:55
10	INTERNAL AUDIT REPORT(S) To receive reports from the Internal Auditors in respect of specific Cumbria Fire and Rescue Service audits conducted since the last meeting of the committee. (a) Equality, Diversity & Inclusion (Revised) (b) Fleet (2023/24)	Director of Audit TIAA Ltd	14:05
11	MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS To receive an updated summary of CFRS actions implemented in response to audit and inspection recommendations.	Director of Audit TIAA Ltd	14:20
12	EXTERNAL AUDIT PLAN & AUDIT FEES To receive from the external auditors the Joint Annual External Audit Plan and the proposed PSAA scale charge for external audit fees.	Audit Manager Grant Thornton	14:30
13	TREASURY MANagements ACTIVITIES & ANNUAL REPORT To receive for information reports on Treasury Management Activity - Quarter 1 for CFRS.	CFRA CFO	14:40
14	STRATEGIC RISK REGISTER To consider the strategic risk registers as part of the Risk Management Strategy a) Cumbria Fire & Rescue Service	CFRA CFO	14:50
	POINTS FOR CONSIDERATION BY THE COMMISSIONER, AND THE CHIEF FIRE OFFICER		

DEFERRED ITEMS			
Agenda Item	Agenda Item	Officer/Lead	Time (Est)
	<p>EXTERNAL AUDIT ANNUAL AUDIT REPORT To receive from the external auditors The Annual Audit Report for 2022/23 Deferred to March 2025 meeting a) Fire & Rescue Service</p>	Audit Manager Grant Thornton	
	<p>ANNUAL GOVERNANCE STATEMENT Deferred to November 2024 meeting</p> <ul style="list-style-type: none"> Effectiveness of Governance Arrangements: To receive a report on the effectiveness of Cumbria Fire and Rescue Service arrangements for Governance. Code of Corporate Governance: To consider the Codes of Corporate Governance for Cumbria Fire and Rescue Service (Annual Governance Statement: To consider the Annual Governance Statements for the financial year and to the date of this meeting: 	CFRA CFO	
	<p>ANNUAL STATEMENT OF ACCOUNTS: To receive the un-audited Statement of Accounts and consider a copy of a summarised non-statutory version of the accounts for the CFRA Group. Deferred to November 2024 meeting</p>	CFRA CFO	

Future JAC Meeting Dates (For Information)

25th September 2024 @ 10.30– Fire HQ Penrith
27th November 2024 @ 10.30 – Conference Room 1
26th March 2025 @ 10.30– Fire HQ Penrith

Future Police, Fire and Crime Panel Meeting Dates (For Information)

25th July 2024 - Committee Room 1, County Hall, Kendal
14th October 2024 - Conference Room A/B, Cumbria House, Carlisle
31st January 2025 - Committee Room 1, County Hall, Kendal



Agenda Item No 04

CUMBRIA POLICE, FIRE & CRIME COMMISSIONER, AND CUMBRIA FIRE & RESCUE SERVICE – JOINT AUDIT COMMITTEE

Minutes of a meeting of the Joint Audit Committee (Fire) held on Wednesday
26th June 2024 Community Room, Fire HQ, Penrith, at 10.45 am.

PRESENT

Mr Malcolm Iredale
Wing Commander (Retired) Tim Mann
Mr Jake Cornthwaite
Mr Mike Roper

Also present:

Office of the PFCC

PFCC Chief Executive (CEX) (Gill Shearer)
CCFRA Chief Finance Officer (CCFRA CFO), (Steven Tickner)
PFCC Governance Manager (JH) (Joanne Head)

Cumbria Fire & Rescue Service

Chief Fire Officer (CFO), (Rick Ogden)
Head of Performance and Assurance (HPA), (Mark Clement)

Internal Audit

Director - Local Government and Emergency Services, (Fiona Roe)

External Audit

Audit Manager (AM), Grant Thornton LLP, (Hannah Foster)

PART 1 – ITEMS CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC

Mr Malcolm Iredale advised that he would be Chairing the meeting in the absence of Fiona Moore and called the meeting to order at 10.45 am. He welcomed everyone to what was the first Fire only Joint Audit Committee meetings and asked everyone to introduce themselves.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Fiona Moore.

2. URGENT BUSINESS AND EXCLUSION OF PRESS AND PUBLIC

There were no items of urgent business or exclusions of the press and public to be considered by the committee.

3. DISCLOSURE OF PERSONAL INTERESTS

There were no disclosures of any personal interest relating to any item on the agenda.

4. MINUTES OF MEETING AND MATTERS ARISING

The notes of previous meetings held Thursday 25 January 2024 and Wednesday 20 March 2024 were previously circulated with the agenda. It was noted that as the previous meetings had previously been joint that the minutes would be presented to both the fire and police meetings today. The minutes were discussed and accepted as a true and accurate record of the meetings.

With regards to minute 853 Action Sheet and item 839 relating to previously outstanding audit reports for fire activity, a member asked whether these had been provided. The Fire HPA advised that this had been discussed with the Audit Manager from TIAA who had interviewed the Fire ACFO. The CCFRA CFO informed the Committee that they would form part of the action plan and the finding would be presented to the Committee at a future meeting.

ACTION: TIAA Ltd to take forward and progress the audit action plan and present at the September Committee meeting

5. ACTION SHEET

An Action Sheet showing any actions discussed in the previous JAC meeting and the progress made was circulated to the members prior to the meeting. The progress of a number of items were discussed.

Item 853 – this action was showing as ongoing within the original timescale and members asked if the work had been completed and that this be reported back to the Committee. This Action has not been completed and will be included within TIAA's

Action Plan and reported to a future meeting - Item 4 in Minutes refer. It should therefore be marked red or orange with a target date to Committee of September 24. It should also be noted that Item 853 is in turn a rollover of previous Action 839, and that it is now covered in the new Action Plan

ACTION: Update to be reported back to the Committee.

Item 839 – it was queried whether or not this action should be marked as completed due to the ongoing work. The CCFRA CFO stated that the action required had been recognised and completed, moving into standard processes and therefore it was felt that it should be closed rather than leaving it open all the time.

Item 868 – a member asked how the flow of information from the Committee was presented to the Commissioner and Chief Fire Officer, particularly as they had registered the same concerns a number of times. The PFCC CEX advised the Committee that through herself, the CCFRA CFO and Fire CFO the identified matters were raised with the Commissioner at his Strategic Finance and Governance Board where he held the Fire CFO to account. She confirmed that the matters had been raised and received significant consideration and the Commissioner had been advised that there was a scheduled meeting with TIAA which would be formally reported back to the Commissioner. She also confirmed that the OPFCC had written to TIAA regarding the dissatisfaction with the Internal Audit Service and was happy to provide the minutes of the meetings to provide assurance to the Committee. It was agreed that the narrative within the action plan would be expanded to illustrate what had taken place.

ACTION: Minutes of the Strategic Finance and Governance Board (now Executive Board Fire) be shared with the Committee to illustrate the escalation of issues from the Committee to the Commissioner

6. CORPORATE UPDATE

(a) Cumbria Fire and Rescue Service

The Panel thanked the Fire CFO for the written update which had been provided to the Committee with the agenda. The Chair invited the CFO to highlight anything further for the Committee.

Cumbria Fire and Rescue Service had published their Community Risk Management Plan for 2024-28 which provided details of risk levels in Cumbria, resources available to the service and objectives that would allow the service to continue to deliver for the people of Cumbria.

On a national basis HMICFRS had carried out a Spotlight Review on a number of services looking at culture within emergency services. A national action plan had been developed which Cumbria Fire and Rescue Service had worked through with only 2-3

actions left to complete which placed them ahead of many other areas.

It was recognised that culture fed into everything within the fire service and it was important to develop Equality, Diversity & Inclusion alongside good leadership which was needed to develop and improve culture.

Work had been carried out within the service to have all officers and staff DBS checked, with enhanced checks for those who worked with children. Out of 700 staff there were only 9 outstanding which placed them in the top 5% across the country on the data return.

A White Paper which had carried out a review of the fire service nationally had been carried out on performance and governance within the service. The issue of culture within the service had been challenged by the Home Affairs Select Committee and there was a move to change HMICFRS powers to enable them to demand change within services.

The Fire CFO advised that HMICFRS would be re-visiting in January 2025 following their review 2 years ago. The service had made robust changes against the 108 point plan and identified one area of weakness. This being the recruitment and retention of specialist officers to carry out building risk assessments. This was a problem recognised nationally and a multi-tiered plan had been developed in Cumbria including the appointment of apprentices and providing market supplements to attract applicants within a very competitive job market. A member asked whether any work was not being carried out due to the staff shortage. The Fire CFO assured the Committee that the work was covered within a 3-year inspection plan which allowed the service to determine how the plan was delivered.

The Fire Service were now a statutory consultee for fire safety regarding building controls.

(b) Cumbria Police Fire and Crime Commissioner

The PFCC Chief Executive advised that following the recent election process, Mr David Allen had been duly elected as the new Police, Fire and Crime Commissioner taking up office on 9 May 2024. With the announcement of the general election on 4 July 2024 the OPFCC had entered another pre-election period.

Work was being carried out to streamline governance processes between the OPFCC, Police and Fire. The CCFRA CFO advised that the new finance system had been installed and went live on 1 April 2024. He wished to thank the finance team for bringing in the new system successfully particularly as some of them had been recently appointed.

With regards to the 2023/24 accounts the CCFRA CFO advised that there had been a delay in these being finalised. This had been due to links to the council system, a number of transactions sitting on the old council and new unitary systems which were awaiting allocation for accruals. It was anticipated that these would be completed

within the next 2-3 weeks which would enable the accounts to be finalised by August and be presented to the Committee in September. The external auditors had been kept informed to enable them to manage their workloads. He assured the Committee that going forward there would be more scrutiny of balances and transactions following the first full year of fire having their own finance team.

7. INTERNAL AUDIT – SUMMARY INTERNAL CONTROLS ASSURANCE REPORT

FR of TIAA talked through the SICA reports for the PFCC/Fire. She affirmed that there had been some issues with TIAA being able to complete all of the audits for 2023/24 and confirmed that two relating to governance and fleet had been commenced but paused. They were looking to re-arrange these and were in the process of developing a recovery plan to ensure that the 2023/24 audits were commenced and completed along side the 2024/25 audits. In relation to the Equality, Diversity and Inclusion audit the CCFRA CFO advised that comments and feedback were provided when the audit had been issued and that the finalised reports were now received.

The Committee had previously raised their concerns regarding the lack of progress against the audit plan and gained assurances that the recovery plan was achievable. FR, TIAA advised that a formal letter had been issued and she would be providing a formal response. Martin Ritchie, the new Audit Manager for this contract, would be looking at how last year's audit's could be scheduled along with the 2024/25 audits and a timetable would be included within the response. The PFCC CEX advised that urgent assurance had been sought and a copy of the letter would be shared with the Committee. The current contract expires at the end of March 2025 and the OPFCC would need to go out to tender as the 2025/26 audit plan would need to be prepared from January.

ACTION: a copy of the letter to TIAA be shared with the Committee members.

8. INTERNAL AUDIT REPORT(S)

Three audit reports were presented to members

8a. Equality, Diversity & Inclusion

A member identified that there was not a lot of feedback on the recommendations and there should be SMART responses to agreed actions. The Fire CFO explained that this had been one of the first Internal Audits carried out and the HR lead had provided responses which were in line with HMICFRS audits. A member proposed that senior officers should sign off the audits to obtain oversight and action buy in at Chief Officer level.

Within the audit 13 points, including 5 Level 2 (Important) recommendations had been identified but the service still received a reasonable assurance and a member asked

at what point they would get limited assurance. FR, TIAA advised that 5 is usually the borderline however each recommendation would be looked at and an overall determination would be made.

A discussion took place regarding independent EDI assessment panels and training. Fire would like to roll the training out to the 60-70 staff as required but the Fire CFO assured the Committee that safeguards were in place. He confirmed that there was now a timeframe in place for audits going forward that was not present for the initial ones. Following guidance from TIAA work was being done to have all heads of service providing the same level of responses and updates, in addition to key personnel being part of the discussions and agreed outcome which would be built into the recovery plan.

A member asked whether regular updates on timelines were provided. FR, TIAA confirmed that monthly meetings were being held with the CCFRA CFO and these would be shared more widely and included within the recovery plan incorporating the scheduling of audits and close out meetings.

8b. Property

The audit had made 5 recommendations, providing reasonable assurance for all Level 2 (Important) recommendations. Fire CFO assured the Committee that since the audit report work the estate for the service had been carried out to reduce some of the potential risks, e.g. legionnaires, however the service was unable to risk assess its own property and had to use external assessors for high risk properties. Since the appointment of the Head of Estates within the OPFCC and a Home Office grant of £1m repairs remedial work and investment in the estate was being realised.

The PFCC CEX advised that the new Commissioner was committed to a joint estate where possible and was developing an estate strategy for the next 10-15 years.

8c. Finances

FR, TIAA advised that bank reconciliations were not covered within the audit and would take this feedback away. The CCFRA CFO advised that this had been flagged with External Audit as well. The Fire Finance Team were now established and he was confident that everything was now reconciled within the ledgers with all recommendations having been implemented. Service Level Agreements had been signed and new processes around Treasury Management were in position with a change to the limits and processes to record when they could be breached.

It was noted that on other audit reports there was provision for a comment box from a senior officer within the organisation. FR, TIAA advised that these would be incorporated into future audits.

ACTION: A comment box for senior officers to complete be incorporated into future audit reports.

9. MONITORING OF AUDIT, INTERNAL AUDIT AND OTHER RECOMMENDATIONS AND ACTION PLANS

This item was not presented to the Committee.

10. INTERNAL AUDI – ANNUAL REPORT

The Internal Audit Annual Report was presented to the Committee and incorporated work which had been carried out during the year. It identified outcomes and provided an assurance opinion. Two draft reports and a finalised report had been provided, with fleet and governance due to be reported upon in 2024/25. The 3 audits each provided reasonable assurance with gave an overall assurance of reasonable.

FR, TIAA confirmed that they were still able to give the opinion but it was limited due to not all of the reports having been completed. Members were concerned that 60% was relatively low to be able to give such an assurance. The CCFRA CFO advised that in addition to the audits they had sought and received assurance from other areas.

11. PROPOSED INTERNAL AUDIT PLAN/ INTERNAL AUDIT CHARTER

FR, TIAA presented the proposed 2024/25 Internal Audit Plan and would be working up the timetable within the next couple of weeks. This work would include checking the risk registers to see if there should be any changes. The Committee felt that they should wait for these changes prior to being able to agree the plan and also have sight of the recovery plan to understand how the outstanding audits would be carried out.

It was proposed and agreed that the recovery and updated audit plan be circulated to the Committee by the CCFRA CFO who could discuss any issues prior to it being approved by the Chair out with a committee meeting.

ACTION: The recovery plan and updated audit plan be circulated to the Committee for comment prior to approval by the Chair out with a committee meeting.

The Committee had a 5 minute comfort break from 11:50 to 11:55 when all those present returned.

12. EXTERNAL AUDIT REPORT

HF of Grant Thornton LLP briefed the panel on the audit progress and advised that

the final plan would be presented to the Committee at their September meeting. This would include key dates for delivery. A member asked how the risks would be mitigated. The CCFRA CFO advised that he was in constant dialogue with Grant Thornton and that mitigation was in place now that the finance team and new finance system were embedded.

HF, Grant Thornton confirmed that they were expecting the accounts to be completed in August with the two authorities presenting them in September. The CCFRA CFO advised that for the next financial year end the accounts would be completed by the statutory deadline in May.

13. ANTI-FRAUD AND CORRUPTION ACTIVITIES

JH, PFCC presented an annual report which outlined anti-fraud and corruption monitoring activities carried out by CCFRA. These included ensuring registers of interests were completed and used when individuals were making decisions, completion of monthly gift and hospitality registers, secondary employment approval processes and taking part in the National Fraud Initiative. The PFCC had in place a Confidential Reporting (Whistleblowing) policy which enabled members of the public to report any issues or concerns.

There were no issues raised in relation to the report.

14. RISK MANAGEMENT STRATEGY

MC, Fire presented the Cumbria Fire and Rescue Service Risk Management Strategy. This had been developed as part of a suit of policies, was similar to those in other fire services and would fit in with the governance work that was being carried out. A member asked why training had not featured as part of the strategy. MC welcomed the feedback which would be used in the further development of the strategy. Members recommended that the service look at the police strategy to help in the further development work.

A member asked whether the strategy would be linked to the change and continuous improvement of the service. The PFCC CEX advised that risks were presented to the Senior Leadership Team and Executive Board (Fire) where all key decisions were made and was part of the continuous improvement programme.

15. RISK MANAGEMENT MONITORING

JH, PFCC presented a report which outlined the effectiveness of risk management monitoring which had been carried out during the year. A member asked what the Estate Resource strategic risk was for the PFCC. The CCFRA CFO advised that this related to the shared estates team and the work which was to be carried out on a joint estate.

16. TREASURY MANAGEMENT ACTIVITIES AND ANNUAL REPORT

CCFRA CFO presented the annual position for the Treasury Management Activities 2023/24 with investment income being £593k during the year. A delay in invoices being paid had assisted with an invested £6.6m at the end of the year and was more than expected. Capital grants received from the Home Office had also assisted.

A member asked about the Public Finance Initiative agreements which were in place. CCFRA CFO advised that there were currently 5 fire stations which were subject to this. A review of the contract had identified that it had been re-financed in 2021 and therefore there would be no benefits of leaving the contract early. A member asked whether joint use and moving towards future collaboration would form part of any review. CCFRA CFO advised that there was flexibility to have tenants in the buildings.

17. EFFECTIVENESS OF AUDIT

CCFRA CFO provided a report which covered the arrangements for the Joint Audit Committee during 2023/24. During that time Fire had been introduced within a combined meeting but were now moving to separate meetings to enable the separate entities to have confidentiality.

A member asked whether Grant Thornton reviewed the work of the Internal Audit. HF, Grant Thornton advised that they did review the work but did not use it to form part of their opinion. They had noted that the number of internal audit reports had dropped and the CCFRA CFO confirmed that this would be noted in the statement of accounts.

Members expressed concern about the ability to gain assurance from the few internal audit reports that had been completed. A member asked whether thought had been given to including a self-assessment questionnaire against all of the standards to ensure that nothing had been missed. The CCFRA CFO advised that TIAA had been asked for this to be completed two months ago.

18. POINTS FOR CONSIDERATION BY THE COMMISSIONER AND THE CHIEF FIRE OFFICER.

Members agreed to once again raise concern with the delay and deferment of fire internal audit reports and the PFCC CEX agreed that this would again be raised at the next Executive Board meeting in July. She would report back to the Committee at their next meeting

ACTION: C CCFRA CFO to raise members concerns with regard to the delayed internal audit reports, progress against the audit plan and assurances provided by Internal Audit with the PFCC.

Meeting ended at 12:15 hrs.

Signature_____Date_____

Future JAC Meeting Dates (For Information)

25th September 2024 @ 10.30– Police HQ Conference Room 1 and Fire HQ Penrith
27th November 2024 @ 10.30 – Police HQ Conference Room 1 and Fire HQ Penrith
26th March 2025 @ 10.30– Police HQ Conference Room 1 and Fire HQ Penrith

Future Police, Fire and Crime Panel Meeting Dates (For Information)

25th July 2024 - Committee Room 1, County Hall, Kendal
14th October 2024 - Conference Room A/B, Cumbria House, Carlisle
31st January 2025 - Committee Room 1, County Hall, Kendal

Joint Audit Committee – Action Update and Plan (Fire)

Completed
Ongoing within Original Timescale
Ongoing with original timescale extended
Overdue

Minute Item and date	Action to be taken	Person Responsible	Target Date	Comments	Status
844 (22/11/23)	Annual Review of Governance – Role of the CFO	CC CFO and PFCC CFO	Nov 2024	<p>PFCC CFO & CC CFO to provide three reports for the separate entities in future. PFCC CFO Fire will look to see if he can provide a separate report for Fire.</p> <p>February 2024 – There were two reports provided to the November meeting, one in relation to the role of the CFO within the Constabulary and the other covering the role of the PFCC / Fire CFO. In future, the split between the role for the PFCC and CFRS will be made clearer.</p> <p>June 2024: Separate reports will be produced.</p>	Completed
853 (20/03/24)	Action Plan Ref 839	TIAA Ltd	ASAP	<p>TIAA to provide members with an update in relation to the finding of the review of all prior Fire audit reports and recommendations made. TIAA to provide asap in advance of next meeting.</p> <p>June 2024: Due on JAC agenda 26/06/2024</p>	Completed
863 (20/03/24)	Annual Review of Governance – CFRS Scheme of Delegation	HPA	Mar 2025	<p>HPA to consider adding a table to the Fire scheme of delegation along the lines of OPFCC and Constabulary.</p> <p>June 2024: Corporate Governance Framework and Scheme of Delegation currently being reviewed.</p>	Completed

Minute Item and date	Action to be taken	Person Responsible	Target Date	Comments	Status
4 (26/06/24)	Minutes of Meeting & Matters Arising	TIAA Ltd	Sept 2024	This Action has not been completed and will be included within TIAA's Action Plan and reported to a future meeting - Item 4 in Minutes refer. It should therefore be marked red or orange with a target date to Committee of September 24. It should also be noted that Item 853 is in turn a rollover of previous Action 839, and that it is now covered in the new Action Plan	
5 (26/06/24)	Action Sheet	PFCC CEX	Sept 2024	Minutes of the Strategic Finance and Governance Board (now Executive Board Fire) be shared with the Committee to illustrate the escalation of issues from the Committee to the Commissioner	
7 (26/06/24)	Internal Audit – Summary Internal Controls & Assurance Report	CCRA CFO	ASAP	A copy of the formal letter (including a revised timetable) from TIAA to be shared with the Committee members	
8 (26/06/24)	Internal Audit Reports	TIAA Ltd		A comment box for senior officers to complete be incorporated into future audit reports.	
11 (26/06/24)	Proposed Internal Audit Plan / Internal Audit Charter	TIAA Ltd	ASAP	The recovery plan and updated audit plan be circulated to the Committee for comment prior to approval by the Chair out with a committee meeting.	
18 (26/06/24)	Points for Consideration by the C	PFCC CEX	Sept 2024	CCRA CFO to raise members concerns with regard to the delayed internal audit reports, progress against the audit plan and assurances provided by Internal Audit with the PFCC	



Joint Audit Committee

Date of meeting: 25th September 2024

Agenda Item No 6a

Title of Report: Cumbria Fire and Rescue Service – Corporate Update

Report by: Paul Hancock

1. **What is the Report About? (Executive Summary)**

1.1 This document provides the Joint Audit Committee with a headline summary of recent developments both locally and nationally that may aid the Committee in their deliberations.

2 **Local**

CFO Rick Ogden

- 2.1 Rick is now taking a period of absence as last week he has had a pre-planned operation which will require a period of recovery and physio. He is doing well and hopes to be returning to work in October.
- 2.2 In the interim, and to provide additional executive leadership support, Paul Hancock has joined the SLT on a part time basis. Paul brings a wealth of experience in strategic leadership in the Fire Service and this addition support is welcome as we continue the journey of disaggregation and preparation for our HMIC inspection.

Latest recruits

2.3 Our latest cohort of 16 wholtime recruits has commenced this week in Barrow. The course will conclude on 22 November where our new Firefighters will be allocated their Watch and Fire Station and start their operational career in December.

3 **National**

Grenfell Report

3.1 The Inquiry's final phase 2 report has been published which has rightly dominated the news over the last 24hrs. The inquiry was separated into two phases.

- Phase 1 focused on the events on the night
- Phase 2 examined the cause of the event

3.2 The majority of the impacts and subsequent reform on the way in which the Fire & Rescue sector manage its prevention, protection and operational response to tall buildings has been underway since The Chairman published his Phase 1 report on 30 October 2019.

3.3 Police and prosecutors have said they will need until the end of 2025 to complete their investigation, before handing it on to the Crown Prosecution Service. And then final decisions on potential criminal charges will not come until the end of 2026.

3.4 Cumbria has a very low number of tall buildings, however we continue to review our arrangements when any new information or guidance is made available. We are convening at the end of September to formulate our next steps in response to the phase 2 report.

4 Political / Governance

HMIC Report

4.1 HMIC have recently published their thematic report: Standards of behaviour: The handling of misconduct in fire and rescue services.

4.2 The report issued 15 recommendation to every FRS. We have completed a bench marking exercise against our existing working practices. In summary we feel we can evidence that we meet 9 of the recommendations in full, with partial evidence against the remaining 6. There are no recommendations that have caught us cold or we were not already working towards. We now continue with the remaining actions need to achieve all 15 recommendations by the deadlines that have been set by the HMIC within the report.

HMIC

4.3 Preparation continues to take place for our forthcoming HMIC inspection in the new year. We are completing a significant piece of work to align our CRMP, to our corporate strategies and publish our annual delivery plans, bringing together the financial requirements to deliver objectives within allocated budgets.

Mark Clement

Head of Safety and Assurance

Joint Audit Committee

Title: OPFCC Corporate Update

Date of Meeting: 25 September 2024

Agenda Item No: 06b

Originating Officers: Gill Shearer, Chief Executive

This update provides the Joint Audit Committee with a headline summary of recent developments within the Office of the Police, Fire and Crime Commissioner.

1. **New Police, Fire & Crime Plan**

Following the election of a new Police, Fire and Crime Commissioner, David Allen plans are underway to develop a new Police, Fire and Crime Plan. Over the past few weeks partners, stakeholders and the communities of Cumbria have been canvassed for their views on what the policing and fire priorities should be for 2024-2028. The consultation ended on the 5 September. The Plan is being developed and a draft would be presented to the Police, Fire and Crime Panel in October, following which it will be launched in November 2024, setting out policing and fire priorities for the next 4 years.

2. **PFCC's First 100 days**

The Commissioner recently celebrated his first 100 days in office. An article outlining the differences he has made since coming into office can be found on the OPFCC website - <https://cumbria-pfcc.gov.uk/news/david-allen-making-a-difference-in-his-first-100-days>, along with other news articles.

3. **National Portfolios**

The Commissioner has been appointed as Chairman on the Police Digital Services (PDS) Board and PDS Audit and Risk Committee. The Boards are responsible for coordinating, developing, delivering, and managing digital services and solutions that enable UK policing to safely use technology to improve public safety.

Cumbria's voice will also be heard in connection to Serious Organised Crime (SOC) as the Commissioner takes on the role of Vice Chair for the Serious Organised Crime and Specialist Capabilities Board for the Association of Police and Crime Commissioners (APCC). The Board leads the APCCs work

to tackle serious organised crime, including the delivery of the SOC strategy and support for Regional Organised Crime Units (ROCU).

The Commissioner sits on the Blue Light Commercial Board to monitor and oversee the company's operation, consider strategic issues and risk and ensure that Blue Light Commercial can achieve their aim of partnering with blue light organisations to influence the use of public resources, creating social value put back directly into front-line services.

4. Finance

2023/24 Accounts

Work on the draft 2023/24 statement of accounts now progressing well and we anticipate having a substantially complete draft set of accounts by early October. The LGPS pension fund valuation work is still outstanding and we are liaising with the pension fund and unitary authorities on this.

2025/26 Budget Setting

Work is currently underway in relation to budget setting for 2025/26 and MTFP to 2029/30.

Internal Audit Contract Tender

The process to select an internal audit provider from 01/04/25 is now underway with formal responses to invitation to tender due back on 30/09/24. A representative from JAC has been invited to sit on the panel.

JAC Recruitment

The current JAC chair Fiona Moore comes to the end of her 10 year maximum term of office in March 2025, the process to recruit a replacement chair of JAC will commence shortly and members will be advised at different stages of the process. Existing JAC members will be invited to express an interest in the position and will be considered alongside any external applicants.



Agenda Item 07

Cumbria Fire and Rescue Service

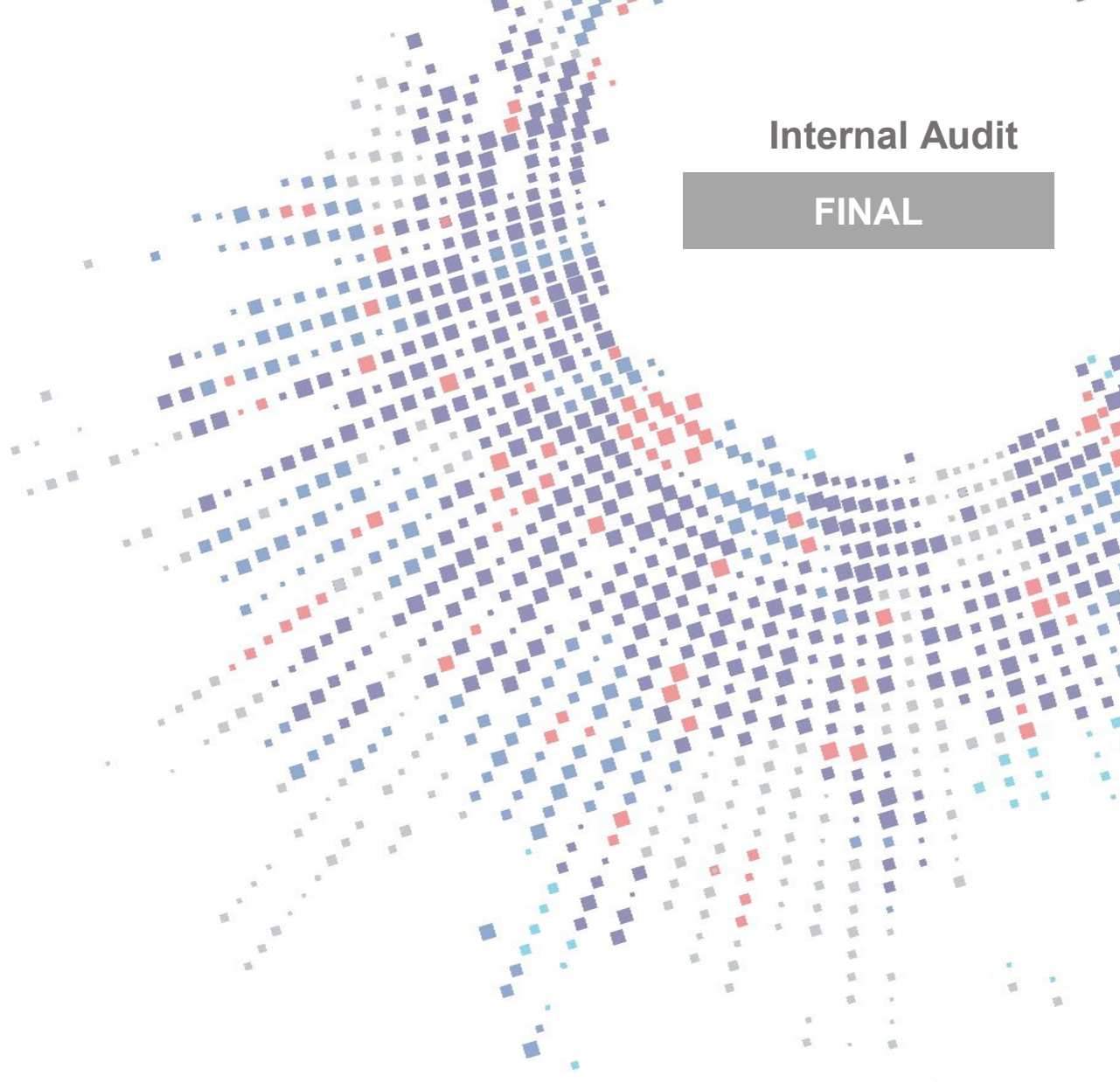
Internal Audit Annual Report

2023/24

September 2024

Internal Audit

FINAL



Internal Audit Annual Report

Introduction

This is the 2023/24 Annual Report by TIAA on the internal control environment at the Cumbria Fire and Rescue Service. The annual internal audit report summarises the outcomes of the reviews we have carried out on the organisation’s framework of governance, risk management and control. This report is designed to assist the Board in making its annual governance statement.

Our approach is based on the International Standards for the Professional Practice of Internal Auditing which have been developed by the Institute of Internal Auditors (IIA) and incorporate the Public Sector Internal Audit Standards (PSIAS). In 2022, TIAA commissioned an External Quality Assessment (EQA) of its internal audit service. The independent EQA assessor was able to conclude that TIAA ‘generally conforms to the requirements of the Public Sector Internal Audit Standards and the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF)’. ‘Generally conforms’ is the highest rating that can be achieved using the IIA’s EQA assessment model.

Ongoing quality assurance work was carried out throughout the year and we continue to comply with ISO 9001:2015 standards. Our work also complies with the IIA-UK Professional Standards and relevant guidance issued by the Accounts & Audit Regulations 2015.

Internal Audit Planned Coverage and Output

The 2023/24 Annual Audit Plan approved by the Joint Audit Committee was for 55 days of internal audit coverage in the year.

The plan originally included a review of Procurement – Strategy and Contract Monitoring that was later replaced with a review of Strategic Governance. This audit was delayed but has been resumed and will be delivered as part of work in 2024/25.

The planned work that has been carried out against the plan and the status of work not completed is set out at Annex A. No extra work was carried out which was in addition to that set out in the Annual Audit Plan

HEAD OF INTERNAL AUDIT’S ANNUAL OPINION

TIAA is satisfied that, for the areas reviewed during the year, Cumbria Fire and Rescue Service has reasonable and effective risk management, control and governance processes in place.

This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year. This is not an opinion on all elements of the risk management, control and governance processes, or the ongoing financial viability. Cumbria Fire and Rescue Service obtains assurance from various sources of assurance on its ability to meet financial obligations. Internal Audit is one source of assurance supplemented by other sources.

Assurance

TIAA completed four reviews, which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve the Cumbria Fire and Rescue Service’s objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided. Details of these are provided in Annex A and a summary is set out below.

Assurance Assessments	Number of Reviews
Substantial Assurance	1
Reasonable Assurance	2
Limited Assurance	1
No Assurance	0

The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their

effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented.

We made the following total number of recommendations on our audit work carried out in 2023/24.

Urgent	Important	Routine
0	13	5

Audit Summary

Control weaknesses: There was one area reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited' assurance. This area related to Equality, Diversity and Inclusion. Recommendations were made to further strengthen the control environment in these areas and the management responses indicated that the recommendations had been accepted.

Recommendations Made: We have analysed our findings/recommendations by risk area and these are summarised below.

Risk Area	Urgent	Important	Routine
Directed			
Governance Framework	0	3	3
Risk Mitigation	0	0	0
Compliance	0	7	0
Delivery			
Performance Monitoring	0	3	2
Sustainability	0	0	0
Resilience	0	0	0

Operational Effectiveness Opportunities: One of the roles of internal audit is to add value and during the financial year we provided advice on opportunities to enhance the operational effectiveness of the areas reviewed and the number of these opportunities is summarised below.

Operational
4

Independence and Objectivity of Internal Audit

There were no limitations or restrictions placed on the internal audit service which impaired either the independence or objectivity of the service provided.

Performance and Quality Assurance

The following Performance Targets were used to measure the performance of internal audit in delivering the Annual Plan.

Performance Measure	Target	Attained
Completion of Planned Audits	100%	80%
Audits Completed in Time Allocation	100%	100%
Draft report issued within 10 working days of receipt of responses	95%	100%
Final report issued within 10 working days of receipt of responses	95%	100%
Compliance with Public Sector Internal Audit Standards	100%	100%

Release of Report

The table below sets out the history of this Annual Report.

Final Report issued:	13 th September 2024
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Annexes

Annex A

Actual against planned Internal Audit Work 2023/24

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Key Financial Controls	Assurance	8	8	Reasonable	Final Report issued
Estate Management – Property Compliance	Assurance	8	8	Reasonable	Final Report issued
Equality, Diversity and Inclusion	Assurance	8	8	Limited	Final Report issued
Fleet – Strategy and Maintenance	Assurance	10	10	Substantial	Final Report issued
Strategic Governance	Assurance	10	-	-	Replaced Procurement – Strategy and Contract Monitoring Deferred to 2024/25
Follow-up	Follow Up	3	3	N/A	Draft Report issued
Annual Planning	Management	1	1	-	Annual Plan issued
Annual Report	Management	1	1	-	Annual Report issued
Audit Management	Management	6	6	-	-
	Total Days	55	45		



Agenda Item No 8

Cumbria Fire and Rescue Service

Remedial Action Plan

September 2024



Summary

This document sets out the work being undertaken to ensure that all outstanding internal audits from 2023/24 are completed as soon as practicable and plans to ensure that the 2024/25 Audit Plan is delivered within the financial year. This report reflects the position at time of writing on 13th September 2024.

2023/24 Outstanding Work

The following outlines progress for outstanding audits from the 2023/24 Audit Plan:

Review	Current Status
Fleet – Strategy and Maintenance	Audit fieldwork has been completed and the report finalised on 6 th September 2024.
Strategic Governance	A revised scope was agreed with Steven Tickner and Stephanie Stables on 9 th August 2024. Audit fieldwork has since commenced and the auditor was awaiting the return of key personnel from leave to obtain further evidence during week commencing 2 nd September. Fieldwork continues to be ongoing.
Follow Up	Previous audit actions were discussed on 6 th September. Fieldwork has since been completed with a draft report issued on 13 th September 2024.

2024/25 Audit Timetable

The following schedule has been devised with dates either agreed or provisionally booked. Those highlighted in green have been confirmed with the CFRS key contact. Those in yellow have been provisionally booked with auditor availability ensured but have still to be confirmed with the CFRS key contact. Initial contact has been made for all.

Quarter	Review	Proposed Start date	Comments
2	HR - Recruitment and Retention	27/08/2024	Audit fieldwork ended with exit meeting on 6 th September. Draft report due to be issued within 10 working days from this date.
2	Performance Management	03/09/2024	Fieldwork is ongoing.
3	Learning and Development	04/11/2024	Date confirmed.
3	Prevention and Protection	09/12/2024	Date confirmed.
4	Key Financial Controls	09/01/2025	Date confirmed.
4	Bullying, Harassment and Discrimination	17/02/2025	Kirstine Ward, Head of People and Talent, confirming with colleagues.
4	Follow Up	03/03/2025	Date confirmed



Cumbria Fire and Rescue Service

Annual Plan 2024/25

August 2024

Revised Draft



Executive Summary

Introduction

The Audit Plan for 2024/25 has been informed by a risk assessment carried out across our clients in the sector and by an updated audit risk assessment to ensure that planned coverage for the year is focussed on the key audit risks. This coverage will enable a robust annual Head of Internal Audit Opinion to be provided.

Key Risk Considerations

We have identified a number of key areas which require consideration when planning internal audit coverage.

Bullying and harassment: The report produced by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services in 2023 noted that staff reported allegations of bullying, harassment and discrimination in every fire and rescue service in England.

Recruitment and Retention of staff: The shortage of highly skilled individuals in the marketplace reinforces the need for Fire Services to attract and retain staff with the right skills.

Macroeconomic and financial environment: The UK economy continues to be impacted by a sequence of significant events including fluctuating interest rates, higher than target inflation, post-pandemic recovery and the conflicts in Ukraine and the Middle East. Shortages in the labour market and continuing supply chain disruption lead to increased costs and a challenging financial situation for many. Cumbria Fire Service have identified financial impacts on the budget and are taking steps to mitigate the risks.

Cyber security: This continues to be one of the highest ranked risks for most organisations and shows no sign of going away. More remote and hybrid working and increased online service delivery increases vulnerability to phishing, malware, and ransomware attacks, particularly where there has been a lack of investment in

infrastructure. Whilst this is not high on the Cumbria Fire Service risk register, we will keep a watching brief on this area.

Audit Strategy Methodology

In producing this annual plan, we have sought to build on our understanding of Cumbria Fire and Rescue Service's operating environment and risk profile through a review of key documentation and discussions with key staff. We have taken into account:

- Cumbria Fire and Rescue Service's business strategy and corporate objectives
- The regulatory and legislative framework
- Cumbria Fire and Rescue Service's risk register
- External Audit recommendations
- Previous Internal Audit coverage

We take in to account any emerging or heightened risks that are facing the sector, to ensure that the work of internal audit remains appropriately prioritised and focused. Links to specific strategic risks are also contained in the Internal Audit Strategy.

Our approach complies with the International Standards for the Professional Practice of Internal Auditing which have been developed by the Institute of Internal Auditors (IIA) and the Public Sector Internal Audit Standards (PSIAS).

Internal Audit Strategy and Plan

The Annual Plan at Appendix A sets out the assignments that will be carried out in 2024/25, the planned times and the high-level scopes for each of these assignments.

Appendix B sets out the audits brought forward from 2023/24 to be completed during 2024/25.

The Annual Plan will be subject to ongoing review and could change as the risks change for the Cumbria Fire and Rescue Service; this will be formally reviewed with senior management and the Audit Committee mid-way through the financial year or should a significant issue arise.

The overall agreed time for the delivery of each assignment within the Annual Plan includes research; preparation and issue of terms of reference; site work; production and review of working papers; and reporting.

The Annual Plan has been prepared on the assumption that the expected controls will be in place.

The total number of days required to deliver the Audit Plan is as agreed in the contract between TIAA and Cumbria Fire and Rescue Service. This number of days is fixed and it is TIAA's responsibility to deliver the Audit Plan for this number of days. Where Cumbria Fire and Rescue Service agrees additional work the required number of days and the aggregate day rate will be agreed in advance with the Chief Finance Officer and will be clearly set out in the terms of reference for the additional review(s).

Adequacy of the planned audit coverage

The reviews identified in the audit plan for 2024/25 support the Head of Internal Audit's annual opinion on the overall adequacy and effectiveness of Cumbria Fire and Rescue Service's framework of governance, risk management and control as required

by TIAA's charter. The reviews have been identified from your assurance framework, risk registers and key emerging themes.

Disclaimer

This document has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent.

No responsibility to any third party is accepted as the document has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this document and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our document.

Release of Report

The table below sets out the history of this plan.

Draft Strategy and Plan:	22 nd February 2024
Revised Draft Strategy and Plan:	15 th August 2024
Final Strategy and Plan:	

Appendix A: Annual Plan – 2024/25

Quarter	Review	Type	Days	High-level Scope
2	HR – Recruitment and Retention	Assurance	7	The review considers the arrangements for the recruitment of staff including identification of need, approval of posts, attracting the right candidates, shortlisting, interviews and offer of employment. The review also appraises the activities undertaken by the Service to retain staff.
2	Performance Management	Assurance	6	The review considers the arrangements for providing assurance to the PFCC and senior management through the use of Key Performance Indicators and the systems that are used to track and manage the attainment of these targets. The scope of the review does not include consideration of the accuracy or completeness of all reports presented to the panels/groups or the appropriateness of all decisions taken.
3	Learning and Development	Assurance	5	The review considers the arrangements in place to maintain the learning and development initiatives to support the workforce of the organisation in meeting their operational requirements. This includes the identification of need through to delivery and monitoring of learning and development.
3	Prevention and Protection	Assurance	6	The review considers the process for the recording of data for prevention and protection activities undertaken by the Service to include: how and by whom the data is recorded, what initial quality assurance checks, monitoring and how data is updated and/or removed.
4	Key Financial Controls	Assurance	11	The review assesses the adequacy and effectiveness of the key internal controls in place within the following key financial systems. <ul style="list-style-type: none"> • Creditor Payments – key controls within the system • Payroll – key controls within the system; • Debtors – key controls within the system; • Budgetary Control – greater focus on this area; and • General Ledger – new processes in place
4	Bullying Harassment and Discrimination	Assurance	7	The review considers the action taken to minimise instances of bullying, harassment and discrimination, the reporting and investigation processes. The review also considers promotion of associated campaigns run by the Service.
4	Follow Up	Follow Up	3	Follow-up of implementation of agreed actions from audit reports, ensuring the Fire Service are implementing recommendations.

Quarter	Review	Type	Days	High-level Scope
1	Annual Planning	Management	2	Assessing the organisation's annual audit needs.
4	Annual Report	Management	1	Reporting on the overall conclusions and opinion based on the year's audits and other information and providing input to the Annual Governance Statement.
1 – 4	Audit Management	Management	7	This time includes: meeting client management, overseeing the audit plan, reporting and supporting the Governance, Audit and Scrutiny Committee, liaising with External Audit and Client briefings (including fraud alerts, fraud digests and committee briefings).
Total days			55	

Appendix B: Audits brought forward from 2023/24

Quarter	Review	Type	Days	High-level Scope
1	Fleet Management <i>(brought forward from 2023/24)</i>	Assurance	10	The review considers the strategy for the management and replacement of the fleet of vehicles and effectiveness of the delivery of the fleet management repairs and maintenance arrangements, including the planning of services and MOT's, responsive repairs and general maintenance.
2	Strategic Governance <i>(brought forward from 2023/24)</i>	Assurance	10	This review will focus on the governance systems and controls in place within the Cumbria Fire and Rescue Service (FRS) to help confirm that these are operating adequately, effectively and efficiently.

Internal Audit Charter

The Need for a Charter

The Audit Charter formally defines internal audit's purpose, authority and responsibility. It establishes internal audit's position within Cumbria Fire and Rescue Service and defines the scope of internal audit activities. The establishment of the Audit Charter is a requirement of the Public Sector Internal Audit Standards (PSIAS) and approval of the charter is the responsibility of the Audit Committee.

The Role of Internal Audit

The main objective of the internal audit activity carried out by TIAA is to provide, in an economical, efficient and timely manner, an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the framework of governance, risk management and control. TIAA is responsible for providing assurance to Cumbria Fire and Rescue Service's governing body (being the body with overall responsibility for the Cumbria Fire and Rescue Service) on the adequacy and effectiveness of the risk management, control and governance processes.

Standards and Approach

TIAA's work will be performed with due professional care, in accordance with the requirements of the PSIAS and the IIA standards which are articulated in the International Professional Practices Framework (IPPF).

Scope

All Cumbria Fire and Rescue Service activities fall within the remit of TIAA. TIAA may consider the adequacy of controls necessary to secure propriety, economy, efficiency and effectiveness in all areas. It will seek to confirm that Cumbria Fire and Rescue Service management has taken the necessary steps to achieve these objectives and manage the associated risks. It is not within the remit of TIAA to question the appropriateness of policy decisions; however, TIAA is required to examine the arrangements by which such decisions are made, monitored and reviewed.

TIAA may also conduct any special reviews requested by the board, Audit Committee or the nominated officer (being the post responsible for the day-to-day liaison with TIAA), provided such

reviews do not compromise the audit service's objectivity or independence, or the achievement of the approved audit plan.

Access

TIAA has unrestricted access to all documents, records, assets, personnel and premises of Cumbria Fire and Rescue Service and is authorised to obtain such information and explanations as they consider necessary to form their opinion. The collection of data for this purpose will be carried out in a manner prescribed by TIAA's professional standards, Information Security and Information Governance policies.

Independence

TIAA has no executive role, nor does it have any responsibility for the development, implementation or operation of systems; however, it may provide independent and objective advice on risk management, control, governance processes and related matters, subject to resource constraints. For day-to-day administrative purposes only, TIAA reports to a nominated officer within Cumbria Fire and Rescue Service and the reporting arrangements must take account of the nature of audit work undertaken. TIAA has a right of direct access to the chair of the board, the chair of the Audit Committee and the responsible accounting officer (being the post charged with financial responsibility).

To preserve the objectivity and impartiality of TIAA's professional judgement, responsibility for implementing audit recommendations rests with Cumbria Fire and Rescue Service management.

Conflict of Interest

Consultancy activities are only undertaken with distinct regard for potential conflict of interest. In this role we will act in an advisory capacity and the nature and scope of the work will be agreed in advance and strictly adhered to.

We are not aware of any conflicts of interest and should any arise we will manage them in line with TIAA's audit charter and internal policies, the PSIAS/IIA standards and Cumbria Fire and Rescue Service's requirements.

Irregularities, Including Fraud and Corruption

TIAA will without delay report to the appropriate regulator, serious weaknesses, significant fraud, major accounting and other breakdowns subject to the requirements of the Proceeds of Crime Act 2002.

TIAA will be informed when evidence of potential irregularity, including fraud, corruption or any impropriety, is discovered so that TIAA can consider the adequacy of the relevant controls, evaluate the implication of the fraud on the risk management, control and governance processes and consider making recommendations as appropriate. The role of TIAA is not to investigate the irregularity unless commissioned to do so.

Limitations and Responsibility

Substantive testing will only be carried out where a review assesses the internal controls to be providing 'limited' or 'no' assurance with the prior approval of Cumbria Fire and Rescue Service and additional time will be required to carry out such testing. Cumbria Fire and Rescue Service is responsible for taking appropriate action to establish whether any loss or impropriety has arisen as a result of the control weaknesses.

Internal controls can only provide reasonable and not absolute assurance against misstatement or loss. The limitations on assurance include the possibility of one or more of the following situations, control activities being circumvented by the collusion of two or more persons, human error, or the overriding of controls by management. Additionally, no assurance can be provided that the internal controls will continue to operate effectively in future periods or that the controls will be adequate to mitigate all significant risks that may arise in future.

The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material

irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.

Reliance will be placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

The matters raised in the audit reports will be only those that come to the attention of the auditor during the course of the internal audit reviews and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. The audit reports are prepared solely for management's use and are not prepared for any other purpose.

Liaison with the External Auditor

We will liaise with Cumbria Fire and Rescue Service's External Auditor. Any matters in the areas included in the Annual Plan that are identified by the external auditor in their audit management letters will be included in the scope of the appropriate review.

Reporting

Assignment Reports: A separate report will be prepared for each review carried out. Each report will be prepared in accordance with the arrangements contained in the Terms of Reference agreed with TIAA and which accord with the requirements of TIAA's audit charter and PSIAS/IIA standards.

Progress Reports: Progress reports will be prepared for each Audit Committee meeting. Each report will detail progress achieved to date against the agreed annual plan.

Follow-Up Reports: We will provide an independent assessment as to the extent that priority 1 and 2 recommendations have been implemented. Priority 3 recommendations are low-level/housekeeping in nature and it is expected that management will monitor and report on implementation as considered appropriate.

Annual Report: An Annual Report will be prepared for each year in accordance with the requirements set out in TIAA's audit charter and PSIAS/IIA standards. The Annual Report will include a summary opinion of the effectiveness of Cumbria Fire and Rescue Service's governance, risk management and operational control processes based on the work completed during the year.

Other Briefings: During the year Client Briefing Notes, Benchmarking and lessons learned digests will be provided. These are designed to keep the Cumbria Fire and Rescue Service abreast

of in-year developments which may impact on the governance, risk and control assurance framework.

Assurance Assessment Gradings

We use four levels of assurance assessments as set out below.

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Data Protection

TIAA has policies, procedures and processes in place to comply with all associated regulation and legislation on information security, which is underpinned by mandatory annual awareness training for all staff. To carry out our role effectively, we need to obtain information that is reliable, relevant and sufficient to support our findings and recommendations. The collection of data, particularly sensitive personal data, is minimised and is not shared with unauthorised persons unless there is a valid and legal requirement to do so. We have clear policies on the retention of data and its appropriate, controlled disposal. TIAA has a fully robust Information Security Management System that meets all the requirements of ISO27001:2013.

Quality Assurance

TIAA recognises the importance of Internal Audit being controlled at each stage to ensure that we deliver a consistent and efficient Internal Audit service that is fully compliant with professional standards and also the conditions of contract. We operate a comprehensive internal operational quality review process to ensure that all Internal Audit work is carried out in accordance with

these standards. These quarterly reviews are part of our quality management system which has ISO 9001:2015 accreditation.

Audit Committee Responsibility

It is the responsibility of the Cumbria Fire and Rescue Service to determine that the number of audit days to be provided and the planned audit coverage are sufficient to meet the Committee's requirements and the areas selected for review are appropriate to provide assurance against the key risks within the Cumbria Fire and Rescue Service.

By approving this document, the Audit Committee is also approving the Internal Audit Charter.

Disclaimer

The matters raised in this planning report, along with those raised in our audit and annual reports, are only those that came to the attention of the auditor during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Performance Standards

The following Performance Targets will be used to measure the performance of internal audit in delivering the Annual Plan:

Performance Measure	Target
Completion of planned audits.	100%
Audits completed in time allocation.	100%
Draft report issued within 10 working days of exit meeting.	100%
Final report issued within 10 working days of receipt of responses.	100%
Compliance with TIAA's audit charter and PSIAS/IIA Standards.	100%



Internal Audit

REVISED FINAL

Cumbria Fire and Rescue

Assurance Review of Equality, Diversity, and Inclusion

2023/24

September 2024

Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Reduced risk of discriminatory practices being present within the Service.



SCOPE

The review considered the arrangements that the Service has put into place, which demonstrate that the Service operates fairly and equally in its operations. The review also considers how policies and processes have been embedded into the everyday working practices of the Service and consider interaction both internally and externally.

KEY STRATEGIC FINDINGS

-  **Incomplete demographic data compromises accurate reporting on gender, ethnicity, disability, and sexual orientation.**
-  **Non-alignment of ethnic and gender reporting with ONS standards hinders inclusivity and benchmarking efforts.**
-  **Insufficient transparency in grievance handling undermines staff trust and organisational accountability.**

GOOD PRACTICE IDENTIFIED

-  **The Service's emphasis on being an equal opportunities employer and its aim to increase representation for women and ethnic groups demonstrate a commitment to diversity and inclusion whilst avoiding positive discrimination.**
-  **The observation of neutral language being used in job postings reflects a good practice in promoting inclusivity and avoiding biases.**

ACTION POINTS

Urgent	Important	Routine	Operational
0	5	5	3

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	The Service does not currently have any formal sit-down Equality, Diversity and Inclusion training for hiring managers. Currently the process is that HR will have an informal discussion with the interview panel prior to the interview process and explain what unconscious bias is and what should and should not be said or asked in interviews. There is no formal acknowledgement from the panel that this training has been received. The Service is currently awaiting a new training package that is being developed, which does include a section on Equality, Diversity and Inclusion but this is currently not ready and there is no established estimated time of completion for this either.	A formal acknowledgement from managers be sought after HR training to ensure understanding and confirm attendance. Timelines be established for new training that is in development.	2	<p><i>SPECIFIC: Compulsory e-learning to be created for all recruiting managers, to be sent to managers once their advert has gone live (before shortlisting and assessment).</i></p> <p><i>MEASURABLE: Using Microsoft Forms, resourcing team can check who has completed it and send reminders to all. As recruitment is ad hoc, this will be easily tracked by the team. We will need to consider when it has expired and needs re-taken.</i></p> <p><i>ACHIEVABLE: Yes</i></p> <p><i>REALISTIC: We know there may be some resistance from managers initially for additional steps to complete, but we will plan a supportive roll-out, explaining the requirement and benefits.</i></p> <p><i>TIME BOUND: Resourcing & Talent strategy is currently under review, and this would be launched in line with the new policies and process.</i></p>	December 2024	Resourcing Talent and Wellbeing Lead

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
7	Directed	There are 19 HR procedures that relate to staff of which three had undergone an Equality Impact Assessment and five are currently underway. This leaves 11 procedures that have not undergone an assessment. The Service is actively reviewing and conducting EIAs for Capability, Whistleblowing, On Call, Absence, TOIL Flexi Leave, and Secondary Employment procedures. Additionally, It was noted that many policies are still branded with 'Cumbria County Council,' as the Service was part of the County Council until April 2023.	The remaining 11 HR policies be scheduled for an Equality Impact Assessment.	2	<p><i>SPECIFIC: All EIAs for HR policies to be reviewed and updated</i></p> <p><i>MEASURABLE: Can be measured against our policy framework.</i></p> <p><i>ACHIEVABLE: Yes.</i></p> <p><i>REALISTIC: We take into account that some of this data is optional and should be kept this way, but we will promote completion across the service.</i></p> <p><i>TIME BOUND: To be completed by Dec 2024 prior to our HMI inspection Jan 2025</i></p>	December 2024	HR Manager
8	Directed	<p>A sample of five complaints were reviewed as part of testing. Transparency and accountability in the grievance handling process must be ensured by addressing all questions raised in appeals and providing closure to complaints.</p> <p>Failure to acknowledge one of the queries in the appeal response relating to the promotion procedure raises concerns about procedural transparency. If a question cannot be answered, then it is important to provide the reasoning for this. This is crucial to avoid accusations of covering up and provide confidence that staff grievances are being taken seriously.</p>	It be included within the Grey Book Grievance Procedure under Appeals that all questions should be addressed and where this is not possible for reasons be confirmed to the complainant.	2	<p><i>SPECIFIC: The grievance procedure has been replaced with a new procedure (Workplace Complaints)</i></p> <p><i>MEASURABLE: New procedure is now live and accessible to all staff via CFRS website</i></p> <p><i>ACHIEVABLE: Yes. HR team are working with managers to ensure that outcomes address all areas. If any areas remain unresponded within an outcome, the reason for this should be noted within the outcome letter.</i></p> <p><i>REALISTIC: Yes. Staff engagement sessions took place in February 2024 alongside consultation with TU colleagues.</i></p> <p><i>TIME BOUND: The last management training sessions are scheduled for 16 & 24 September followed by 17 October.</i></p>	April 2024	HR Manager

PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
9	Directed	The absence of evidence from the initial complaint to the final letter in a discriminatory complaint, highlights deficiencies in documentation and communication.	All notes and communications related to complaints be retained for appropriate internal and external reviews.	2	<p><i>SPECIFIC: All notes and letters to be saved to individual casework files.</i></p> <p><i>MEASURABLE: The PFCC Ethics & Integrity panel also periodically review samples of records.</i></p> <p><i>ACHIEVABLE: Yes.</i></p> <p><i>REALISTIC: HR team are continuously working with managers to ensure accurate casework records are retained and this is something that is reviewed on an ongoing basis.</i></p> <p><i>TIME BOUND: Continuous work</i></p>	April 2024	HR Manager

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
10	Delivery	At present, there is no formal reporting mechanism in place for presenting equality, diversity, and inclusion (EDI) data to the Senior Management Team (SMT). Although the SMT convenes every two months, EDI data is not included as a standard agenda item during these meetings. To ensure comprehensive consideration of EDI matters, it is imperative to allocate dedicated time within the meeting schedule for discussing this data. Furthermore, this discussion should be documented in the meeting minutes, rather than relying solely on managers to download and review reports.	A formal reporting mechanism for equality, diversity, and inclusion (EDI) data within the senior management team (SMT) meetings be introduced.	2	<p><i>Note: It is important for the Resourcing & Talent team that any EDI data shared with SMT has a specific purpose, not that it is a standard agenda item just to complete an action. Resourcing have been sharing Wholtime Firefighter data with SMT following the 2024 process as we wrap up and review the process, and this has been encouraging.</i></p> <p><i>SPECIFIC: Regular recruitment data to be captured across all campaigns and general recruitment, ready to be shared with SMT, and utilised for recruitment reviews and internal learning.</i></p> <p><i>MEASURABLE: The data will be measurable (where completed at application)</i></p> <p><i>ACHIEVABLE: The current recruitment process is all manual (we don't have a system for it), so this is a considerable resource for the team to complete, and we are still working through moving our application form online. This will be achievable, but we will need some service support to see if any systems can support recruitment data reporting.</i></p> <p><i>REALISTIC: Yes.</i></p> <p><i>TIME BOUND: Continuous work.</i></p>	May 2024	Resourcing, Talent and Wellbeing Lead

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	The Service currently has a vacant position for its Equality, Diversity, and Inclusion Lead, which is undergoing a review, and a rewrite of the role is being considered. Delays in this process have been attributed to pressing issues elsewhere within the Fire Service, however, the EDI Lead is referenced on a number of policies and procedures so an outcome should be reached as soon as is feasible. Currently, the Service lacks internal focus groups comprising members from different groups to assist with equality impact assessments, address current discrimination trends, and gather perspectives from ethnic or underrepresented groups that could provide the Service with additional insights.	A decision be reached on the EDI Lead position and consideration be made to implement a focus group to assist with EDI projects and discuss current issues.	3	<p><i>SPECIFIC: Options will be discussed with SLT regarding the replacement of this post and, if necessary, a business case will be developed and presented to SLT and PFCC. The staff networks will be reviewed and relaunched.</i></p> <p><i>MEASURABLE: The outcome will be measurable, either by the resource being replaced or by an alternative way of fulfilling this role.</i></p> <p><i>ACHIEVABLE: Yes</i></p> <p><i>REALISTIC: Yes.</i></p> <p><i>TIME BOUND: October 2024</i></p>	October /2024	Head of People and Talent

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	The Service currently reports on gender, ethnicity, disability and sexual orientation, and staff are given the option to decline to specify if they wish. It was noted that for ethnicity, disability, and sexual orientation that there was significant number of staff who fell under no data which is separate from declining to comment (Ethnic Origin 29.91%, Disabled 40.50% and Sexual Orientation 44.36%).	Areas where "no data" has been obtained be addressed to ensure the Service has complete and accurate data.	3	<p><i>SPECIFIC: A reminder has recently been sent for employees to update their personal data in the HRIS.</i></p> <p><i>MEASURABLE: Yes via reports ran from HR system, further data checking will take place upon implementation of new system.</i></p> <p><i>ACHIEVABLE: Yes.</i></p> <p><i>REALISTIC: We take into account that some of this data is optional and should be kept this way, but we will promote completion across the service.</i></p> <p><i>TIME BOUND: New system is scheduled to be in place for March 2025</i></p> <p><i>The service is currently in the process of implementing a new HRIS (scheduled for March 2025) and further data checking and updating will take place when this is implemented</i></p>	March 2025	HR Manager

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Directed	Similarly with Sex/Gender reporting the Service reports on four groups (Female, Male, Non-Binary/Third Gender and Self Describe), It would be beneficial to reflect similar reporting categories to the ONS to ensure more reflective data that could be used to compare with other industries.	Equality data table be updated to remove Non-Binary / Third Gender and Self describe and replace with Trans-Man, Trans-Woman, Non-Binary and All Other Gender Identities (ONS category).	3	<p><i>SPECIFIC: New updated wording will be reflected upon building our new system.</i></p> <p><i>MEASURABLE: Equality data table will be reviewed following implementation of new system.</i></p> <p><i>ACHIEVABLE: Yes.</i></p> <p><i>REALISTIC: We take into account that some of this data is optional and should be kept this way, but we will promote completion across the service.</i></p> <p><i>TIME BOUND: The service is currently in the process of implementing a new HRIS (scheduled for March 2025)</i></p>	March 2025	HR Manager

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Directed	It was also observed that there were potential unnecessary barriers for Finance Accountants & Officers, as the adverts specified that candidates should be experienced in local government finance. This may discourage those with private sector experience from applying.	Role requirements be revised by removing the public sector experience stipulation. This adjustment aims to encourage a broader range of applications, particularly from the private sector.	3	<p><i>SPECIFIC: An updated HR01 form is being created where managers will add key points to be included in the advert. If anything is too specific, the Resourcing team will highlight and discuss with managers.</i></p> <p><i>MEASURABLE: As this will be discussion based, this will be hard to measure.</i></p> <p><i>ACHIEVABLE: Yes</i></p> <p><i>REALISTIC: Some jobs have been out to advert several times and to ensure the right candidates are applying, we edit to add specific requirements, however with new awareness the Resourcing team will avoid including any specifics that aren't necessary to the role. Some roles do have specifics detail in their post specifications, so we have to highlight these.</i></p> <p><i>TIME BOUND: On-going.</i></p>	April 2024	Resourcing & Talent Lead

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
6	Directed	The ten job adverts sampled all had varying layouts. While this variability isn't inherently problematic, adopting a standardised job advert template could potentially save time and ensure consistency. Additionally, it was observed that the Service emphasises its commitment to being an equal opportunities employer and aims to increase representation for women and ethnic groups in the workplace. This commitment could be reinforced by including a link or attachment to an equal opportunities document in the advert, allowing potential applicants to see the concrete efforts the Service is taking to uphold this statement.	An equal opportunities document be created for public viewing and included within job adverts. This can reference the external working groups the service is engaged with.	3	<p><i>SPECIFIC: Update HR01 and advert wording template, to encourage consistency for individual role recruitment. Campaign recruitment will always sit outside this. When we have an Equal Opportunities section in the new Resourcing & Talent strategy, we will link to this, but we are committed to the statement on each advert to ensure it's included if our roles are ever picked up by job board sites (such as Indeed).</i></p> <p><i>MEASUREABLE: Will be on-going work and spot-checking.</i></p> <p><i>ACHIEVEABLE: Yes.</i></p> <p><i>REALISTIC: Yes, this is already in place, but the resourcing team will work to ensure further consistency.</i></p> <p><i>TIME BOUND: HR01 will be updated by Oct 2024.</i></p>	October 2024	Resourcing & Talent Lead

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Directed	The Fire Service adheres to several procedures that aim to address a wide range of issues that relate to areas such as carers, neurodiversity, dyslexia, pronouns, and flexi working hours, which were previously owned and maintained by Cumbria County Council. The Service is currently working on conducting Equality Impact Assessments for remaining policies so will amend branding once complete. The Service itself maintains its own Equality, Diversity and Inclusion Strategy 2022/23 which acknowledges the presence of discrimination and inequality within society. The strategy aims to create an inclusive and safe community by addressing the changing expectations on public services due to increasing diversity in Cumbria. The document outlines the objectives and priorities, emphasising the importance of EDI in decision-making, service delivery, and workforce development. It is noted that strategy does not confirm the frequency of review and when the next review is due.	<i>Equality, Diversity, and Inclusion strategy be updated to include the next review date.</i>	<i>The Leadership Team are meeting in May 2024 to agree review dates for key strategies across the Service and the EDI Strategy will form part of this discussion.</i>
2	Directed	A sample of 10 job adverts was selected for testing. The language used in the postings was neutral and focused on individuals' skills, experience, and qualifications. However, in the Chief Fire Officer advert, the PA was referred to using female pronouns and the Commissioner was referred to using male pronouns. For consistency and to account for potential staff changes, neutral language would be best served here.	<i>Consideration be given to adopting neutral language when referring to contacting a specific job role to avoid mistakes.</i>	<i>The suggestion to adopt neutral language is one which the service will take on board and the resourcing team will work with managers to support this in future.</i>
3	Directed	In reviewing interview notes for ten positions, it was found that while all positions had documented interview notes, the Resourcing, Talent, and Wellbeing Lead acknowledged that some panel members failed to submit their notes. Currently, the process involves panel members manually completing standardised competency questionnaires and returning them to HR. However, there is room for modernisation in this process. For instance, implementing Microsoft Forms could streamline the process by allowing HR to electronically distribute blank interview forms to panel members, who can then conveniently complete them on a laptop or tablet. Once completed, these forms would be automatically returned to HR. While the risk to the service remains low, maintaining transparency necessitates retaining interview notes.	<i>Consideration be given to modernising the way interview notes are collated to remove the reliance of managers handing them back to HR.</i>	<i>The service accepts this action and consideration will be given to how this process can be modernised while still ensuring that it is accessible to recruiting managers.</i>

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings



Directed Risk:


Failure to properly direct the service to ensure compliance with the requirements of the organisation.


Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Partially in place	1, 2, 3, & 4	1
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	Out of scope	-	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	5, 6, 7, 8, & 9	2, & 3


Other Findings


- It was identified that the Service has a commendable commitment to supporting unpaid carers among its workforces. The policy, clearly outlined in the provided documentation, emphasises the importance of a healthy work-life balance and acknowledges the challenges faced by employees in balancing work responsibilities with caring obligations. The Service offers a range of flexible working arrangements, statutory entitlements, and practical measures to assist unpaid carers, including an Urgent Domestic Leave provision for emergency situations. Additionally, the policy encourages open communication, sets realistic goals, and provides guidelines for fair treatment. Despite the positive aspects, the audit recognises the challenge of employees not readily identifying themselves as carers and suggests that the Service needs to continue fostering a culture of understanding among managers to effectively support carers in the workplace. Overall, the policy exhibits a proactive approach towards supporting unpaid carers, but ongoing efforts are needed to address potential barriers and ensure comprehensive implementation.
- In the assessment of Services Equality, Diversity, and Inclusion (ED&I) policies, it was noted that the organisation commendably supports unpaid carers. The policy underscores the importance of work-life balance and offers flexible working arrangements and statutory entitlements. However, the audit highlights the challenge of employees not readily identifying as carers, suggesting a need for continued understanding among managers.
- Examining Cumbria Fire and Rescue Service's probationary period policy for new firefighters, a comprehensive and structured approach to assessing suitability was observed. The two-year probationary period focuses on operational competence, attitude, and compliance. The policy ensures transparency, regular feedback, and thorough evaluations through periodic assessments and a Probation Review Meeting chaired by the Head of Service Delivery.


Other Findings


- 

The policy supporting employees with dyslexia provides comprehensive guidance, emphasising legal obligations and the importance of reasonable adjustments. Covering dyslexia definition, signs, and steps for managers, the document promotes a culture of acceptance and practical advice for managers.
- 

Demonstrating a commitment to Equity, Diversity, and Inclusion, the Flexi-Time policy provides a flexible framework supporting work-life balance. Extending to all employees, the policy aligns with ED&I principles, emphasising trust, collaboration, and managerial discretion. Ongoing vigilance is crucial to address potential biases and monitor the scheme's effectiveness.
- 

Introducing gender-neutral pronouns and titles, the document promotes inclusivity and respect for diverse gender identities. Encouraging normalising pronoun disclosure, the document underscores the evolving nature of individual preferences over time.
- 

The neurodiversity workplace guidance offers comprehensive information on neurodivergence, encouraging proactive measures for managers and emphasising sensitivity in disclosure. Appendices provide valuable resources, solidifying the policy's effectiveness in promoting an inclusive and supportive workplace environment.
- 

Currently training is out of date as specified by HR, specifically of how Transgender individuals are referred. The Service is currently in talks with an external provider to overhaul the Equality, Diversity, and Inclusion training.
- 

The Service have recently begun to record their own data as of April 2023 and have recorded 10 internal complaints but no data for external data has/could be provided. Prior to moving away from the Council there were an additional seven complaints between 2022/2023, however the detail of those complaints has not been retained. All five of the reviewed cases demonstrated compliance with procedural guidelines, with two specific instances warranting further attention which were discussed with the Head of HR.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	Not in Place	10	-
S	Sustainability The impact on the organisation's sustainability agenda has been considered.	Out of scope	-	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	Out of scope	-	-

Other Findings



At present, there is no formal reporting mechanism in place for presenting equality, diversity, and inclusion (EDI) data to the Senior Management Team (SMT). Although the SMT convenes every two months, EDI data is not included as a standard agenda item during these meetings. To ensure comprehensive consideration of EDI matters, it is imperative to allocate dedicated time within the meeting schedule for discussing this data. Furthermore, this discussion should be documented in the meeting minutes, rather than relying solely on managers to download and review reports.

Scope and Limitations of the Review

- The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

- The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

- The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

- The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

- We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

- The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	22 nd January 2024	22 nd January 2024
Draft Report:	19 th February 2024	21 st June 2024
Final Report:	1 st July 2024	
Revised Draft Report:	2 nd September 2024	
Revised Final Report:	6 th September 2024	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	Cumbria Fire and Rescue		
Review:	Equality, Diversity and Inclusion		
Type of Review:	Assurance	Audit Lead:	James Back

Outline scope (per Annual Plan):	The review considered the arrangements that the Service has put into place, which demonstrate that the Service operates fairly and equally in its operations. The review also considers how policies and processes have been embedded into the everyday working practices of the Service and consider interaction both internally and externally.
Detailed scope will consider:	<p>The review will set out to provide assurance to the Audit Committee that the organisation has robust controls in relation to equality and diversity.</p> <ul style="list-style-type: none"> • The policy and procedures are up-to-date and clearly define responsibilities. • Appropriate action has been taken to monitor diversity data and to identify inequalities within the staffing makeup. • The recruitment and career progression processes do not disadvantage certain groups or individuals. <p>Appropriate training has been delivered in relation to unconscious bias</p>

Planned Start Date:	15th January 2024	Exit Meeting Date:	14 th February 2024	Exit Meeting to be held with:	Head of People & Talent
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SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N



Internal Audit

FINAL

Cumbria Fire and Rescue Service

Assurance Review of Fleet - Strategy and Maintenance

2023/24

September 2024

Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

The Authority needs to have an appropriate transport fleet, which is well maintained, to meet their operational needs.

SCOPE

The review considered the strategy for the management and replacement of the fleet of vehicles and effectiveness of the delivery of the fleet management repairs and maintenance arrangements, including the planning of services and MOT's, responsive repairs and general maintenance.

KEY STRATEGIC FINDINGS



The process is directed by a number of relevant and up to date strategies and policies.



Fleet management actions and updates are provided via the Operational Project Steering Group.



Testing undertaken on a sample of 25 vehicles confirmed that valid DVLA tax records were held in all cases and that, where required, the MOTs of these vehicles were in date.

GOOD PRACTICE IDENTIFIED



Options being considered in order to reduce the CO2 emissions of the Services fleet include reducing the number of vehicles, minimising vehicle movements, implementing superior driving techniques, transitioning to eco-friendly fuels, and adopting more fuel-efficient vehicles.

ACTION POINTS

Urgent	Important	Routine	Operational
0	0	0	1

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
No recommendations were made.							

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Directed	<p>The Fleet and Asset Strategy is reviewed annually by the Service Management Team.</p> <p>The Asset Disposal Strategy document does contain a version control table and author information showing that changes have been made and who made them, the last update being on 23rd September 2023, however there is no explicit overall approval of the document.</p>	It be ensured that all Policy/Strategy explicitly shows approval of the document.	We will reflect and consider the advice provided on the operational recommendation with our internal document review team.

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Assignment Engagement Details

TIAA Auditors	Title	Contact Email	Telephone
Andrew McCulloch	Director – Operations	Andrew.McCulloch@tiaa.co.uk	07980787926
David Robinson	Director of Audit	David.Robinson@tiaa.co.uk	07766553339

CFRS Staff	Title
Owen McCarney	Group Manager – Infrastructure and Fleet

Exit Meeting Date	7 th August 2024
Attendees	Owen McCarney - Group Manager – Infrastructure and Fleet

SLT Lead Sponsor Comment	<p>The findings contained within the audit report are reflective of our own self-assessment. The report supports the Service with continuing to focus an areas of good practice. We will reflect and consider the advice provided on the operational recommendation with our internal document review team.</p> <p>Ian Seel - Assistant Chief Fire Officer</p>
Chief Fire Officer Comment	A positive audit report providing valuable assurance to the organisation.
Considered for Risk Escalation	No matters arising for escalation.

Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	1
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	In place	-	-

Other Findings




The Fleet and Asset Strategy outlines various processes related to fleet and asset management within the service, including fleet condition assessment, performance evaluation, business continuity, vehicle lifespan, replacement programs, environmental considerations, and asset management.


The Strategy outlines that all proposed solutions must ensure the effective management of assets to maintain compliance with a range of critical legislations, including but not limited to, the Vehicle Operating Standards Agency (VOSA) and the Ministry of Transport, the Driver and Vehicle Licensing Agency (DVLA), the Health and Safety at Work Act 1974, the Lifting Operations and Lifting Equipment Regulations 1998 (LOLER), PUWER (Provision and Use of Work Equipment Regulations) 1998, the Road Traffic Act 1988, The Road Vehicles Lighting Regulations 1989, The Road Vehicles (Construction and Use) Regulations 1986, Operators Licence, National FRS Technical Bulletins, and the Pressure Systems Safety Regulations 2000.





The Asset Disposal document confirms the current process for disposal. It outlines the steps and requirements, including criteria for disposal, responsibilities of statutory officers, approval limits, decision-making processes, and considerations for different types of assets, such as land and buildings. The Asset Disposal document demonstrates a degree of segregation of duties in the asset disposal process. It outlines specific criteria and responsibilities, ensuring that no single individual has complete control over these decisions. Higher-value disposals require approval from the Police, Fire, and Crime Commissioner (PFCC), introducing an oversight layer. Additionally, there is a requirement to prepare and formally approve a Decision Record confirming separation of duties between decision-makers and record-keeping.


Other Findings


- 

Vehicles are procured following relevant guidelines, standing orders, and legal requirements, which may involve direct procurement through a tender process or via established frameworks. The procurement aims to secure the best value for money over the vehicle's lifespan, ensuring the user receives the highest quality vehicle. Vehicle funding typically comes from Capital secured through the Strategic Investment Group (Prudential Borrowing) or contract hire. Procurement decisions consider factors such as whole life costs, manufacturer support, maintenance needs, user requirements, product testing, reliability ratings, estimated lifespan, environmental impact, and fleet consistency.
- 

The primary goals are to replace assets on time and ensure they are well-suited for their intended purposes. While some flexibility is needed for cost management, complex training requirements dictate block replacements for certain equipment, such as Breathing Apparatus (BA). The strategy divides asset and vehicle management into two sections, which closely coordinate procurement, maintenance, design, and disposal for efficiency. It involves two systems: the Asset Management Register managed by CFRS Technical Services, and the Tranman System managed by CCC Fleet, ensuring compliance with relevant legislation through third-party inspections like Zurich to maintain asset and vehicle competence.
- 

The Fleet and Asset Strategy sets out transparent and regularly reviewed vehicle procurement. It also highlights the importance of balancing the organisation's requirements. Avoiding excessive technical diversity is essential to prevent operational challenges and high maintenance costs. While new vehicle types are encouraged, the potential costs related to technician training, parts supply, and driver familiarisation are considered during periodic reviews.
- 

In cases where fleet assets show low mileage (not necessarily low usage), it is a common practice to consider rotating and exchanging them with other comparable vehicles that have higher mileage over their operational lifespan. For vehicles consistently displaying both low mileage and low usage, management assess the feasibility of removing the vehicle from the fleet and explore alternative options for more efficient transportation utilisation.
- 

The vehicle replacement decisions are influenced by a variety of factors, including the type of vehicle, any custom-built components, maintenance costs, resale value, public perception, financing, and overall cost considerations throughout the vehicle's lifespan. The organisation sets aspirational fleet replacement ages, subject to a comprehensive evaluation: 15 years for Fire Appliances; a minimum of 10 years for van-sized Operational support vehicles; 15 years for larger Operational support vehicles (e.g., ALP); four years for leased Flexi-duty Managers' cars; seven years for provided Flexi-duty Managers' cars; and seven years for non-operational cars and vans, and non-operational ancillary vehicles (e.g., minibuses) subject to individual assessments. These determinants influence the decisions to either extend or shorten the lifespan of vehicles.
- 

Testing undertaken on a sample of 25 vehicles confirmed that valid DVLA tax records were held. Although cars receive an MOT annually when they are three years old, HGV vehicles are MOT exempt. Testing undertaken of a sample of cars showed that the MOTs of these vehicles were in date.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	Sustainability The impact on the organisation's sustainability agenda has been considered.	In place	-	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	Out of scope	-	-

Other Findings

- Ongoing fleet management performance reporting is undertaken through the Operational Project Steering Group. A review of a sample of minutes of the meeting undertaken showed that items discussed included new projects relating to mobile welfare units and the replacement of aerial ladder platforms (ALPs).
- The Service is to assess whether vehicles in the Fleet Strategy can have multiple uses during their lifespan or be repurposed after their primary service. While the default policy is vehicle disposal at the end of their lifecycle, this does not prevent considering extended use beyond their intended replacement age if it aligns with organisational needs. The process should also avoid incurring legacy costs due to ageing vehicles and using old vehicles for roles they may not be well-suited to.
- Key findings indicate that CO2 emissions reduction hinges on five primary factors: reducing the number of vehicles, minimizing vehicle movements, implementing superior driving techniques, transitioning to eco-friendly fuels, and adopting more fuel-efficient vehicles. When considering alternative fuelled vehicles, significant issues come to the forefront. Although these vehicles may involve higher initial procurement costs, they could offer long-term efficiencies, but their resale values remain uncertain. Moreover, the challenges of establishing adequate fuel and charging support across vast rural areas and the potential difficulties in maintenance, training, and parts for alternative fuel and hybrid vehicles need careful consideration. Despite these challenges and uncertainties, the Service endorses the exploration of alternative fuelled vehicles, particularly within the white fleet replacement program, with the objective of identifying reliable, cost-effective, and resilient options for the CFRS fleet.
- The policy for disposing of vehicles at the end of their operational life is centred on realising optimal value for the asset through the most suitable means. When disposing of vehicles, considerations include maximising re-sale value, ensuring security to prevent misuse by potential threats to national interests, evaluating charitable organisation requests against the residual value of the vehicle, assessing the usefulness of vehicles for other organisations, and exploring the possibility of utilising some vehicles for spare parts if this proves to be cost-effective or provides essential components that are otherwise hard to obtain.

Other Findings



The Group Manager (Infrastructure and Fleet) confirmed that the Service did not dispose of any vehicles in 2023. However, they are reviewing which vehicles will be disposed of in the coming year. Once these have been identified, they will be outlined for approval by a member of SLT. It is envisaged that during 2023/24 the Service would dispose of approximately three fire appliances, which would be done in line with the Disposal Strategy. In addition, following the procurement of eight new light vehicles to replace some of the flexi-duty officer fleet, once these are in use, one leased unit will be returned to the leasing company, and the others will be disposed of via public auction.

A number of specialist off-road vehicles have been purchased and, once these units are being used, the old fleet will be disposed of via public auction.

One item of fleet due for disposal has been identified as having potentially additional revenue and the Service is looking at placing that item through a specialist auction to release maximum revenue.

Scope and Limitations of the Review

- The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

- The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

- The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

- The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

- We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

- The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	4 th October 2023	4 th October 2023
Draft Report:	28 th August 2024	6 th September 2024
Final Report:	6 th September 2024	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	Cumbria Fire and Rescue Service		
Review:	Fleet - Strategy and Maintenance		
Type of Review:	Assurance	Audit Lead:	Andrew McCulloch

Outline scope (per Annual Plan):	The review considers the strategy for the management and replacement of the fleet of vehicles and effectiveness of the delivery of the fleet management repairs and maintenance arrangements, including the planning of services and MOT's, responsive repairs and general maintenance.		
Detailed scope will consider:	<p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Sustainability: The impact on the organisation's sustainability agenda has been considered.</p>	

Planned Start Date:	23/10/2023	Exit Meeting Date:	07/08/2024	Exit Meeting to be held with:	Group Manager - Infrastructure and Fleet
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SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N



Cumbria Fire and Rescue Service

Follow Up Review

September 2024

Draft



Executive Summary

Introduction

1. This follow up review by TIAA established the management action that has been taken in respect of the high and medium priority recommendations arising from the internal audit reviews listed below at Cumbria Fire and Rescue Service (CFRS). The review was carried out in September 2024.

Review	Year
Procurement and Disposal of Vehicles and Major Operational Equipment	2020/21
Operational Assurance	2021/22
Maintenance of Operational Equipment	2022/23

Key Findings & Action Points

2. The follow up review considered whether the management action taken addresses the control issues that gave rise to the recommendations. The implementation of these recommendations can only provide reasonable and not absolute assurance against misstatement or loss. From the work carried out the following evaluations of the progress of the management actions taken to date have been identified.

Evaluation	Number of Recommendations
Implemented	1
Outstanding	3
Not Implemented	-
Superseded	7

Scope and Limitations of the Review

3. The review considered the progress made in implementing the recommendations made in the previous internal audit reports and established the extent to which management has taken the necessary actions to address the control issues that gave rise to the internal audit recommendations.
4. The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.
5. For the purposes of this review reliance was placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

Disclaimer

6. The matters raised in this report are only those that came to the attention of the auditor during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Release of Report

7. The table below sets out the history of this report.

Date draft report issued:	12 th September 2024
Date management responses rec'd:	
Date final report issued:	

Findings

Follow Up

- 8. Management representations were obtained on the action taken to address the recommendations and limited testing has been carried out to confirm these management representations. The following matters were identified:
- 9. **Procurement and Disposal of Vehicles and Major Operational Equipment**

Audit title	Procurement and Disposal of Vehicles and Major Operational Equipment	Audit year	2020/21	Priority	Medium
Recommendation	<p>a) The draft procedures for procurement and disposal of vehicles and operational equipment should be reviewed and updated, and where appropriate, agreed with other Departments involved in the overall process.</p> <p>b) The final procedures should be approved by senior management/SMT and then communicated to relevant staff.</p>				
Previous Update	CFRS has now drafted separate procedures for the procurement and disposal of vehicles and major operational equipment. Internal Audit has reviewed these and provided feedback to management. This includes ensuring that references to other Council procedures, departments and officers are accurate and have been checked with other parts of the Council. The new procedures have not yet been approved by management or circulated to other staff for information and guidance.				
Responsible Officer/s	Nathaniel Hooton, Area Manager – Service Support Sean Hevey, Station Manager	Original implementation date	N/A	Revised implementation date(s)	N/A
Latest Update	The procurement of vehicles and major equipment is under review following the move to the PFCC. Advice has been sought from Sellafeld FRA to review the process map to ensure that it is fit for purpose. An Asset Disposal Strategy has been developed and rolled out to relevant staff. A process map relating to this Strategy is still to be developed.				
New implementation date	TBC	Status	Outstanding	Implementation is in progress.	

Audit title	Procurement and Disposal of Vehicles and Major Operational Equipment	Audit year	2020/21	Priority	Medium
Recommendation	<ul style="list-style-type: none"> a) Operational procedures for accounting for disposals in ID Hammer should be documented for use by staff who will input disposals in future. b) ID Hammer should record who authorised an asset to be disposed and this should be consistent with the requirements of the disposals policy. c) A report which can list all disposals should be developed for management review/information. 				
Previous Update	<p>A new asset management system (ID Hammer) has now replaced the previous spreadsheet asset records. Screen prints from ID Hammer showed that basic details of disposals were recorded including date, inputter and reason for disposal. There was no specific reference to approval as required by the draft policy on disposals.</p> <p>There is no documented operational procedure on accounting for disposals in ID Hammer as we were advised that currently all disposals are input by 2 Systems Administrators (Gary Scott and Richard Croft). Once sufficient licences are available it is intended that disposals will be input by other staff.</p> <p>No report from ID Hammer is currently available to provide a list of disposals for management review/information, but this is included in the project plan for future delivery.</p>				
Responsible Officer/s	Nathaniel Hooton, Area Manager – Service Support Sean Hevey, Station Manager	Original implementation date	N/A	Revised implementation date(s)	N/A
Latest Update	It was confirmed that ID Hammer will become unsupported software in 2025. There are plans to move to a new asset management system following approval of a business case which is currently being developed. Procedures and accounting for disposals and disposal reports will be developed following the implementation of the new asset management system.				
New implementation date	N/A	Status	Superseded	The recommendation has been superseded.	

Audit title	Procurement and Disposal of Vehicles and Major Operational Equipment	Audit year	2020/21	Priority	Medium
Recommendation	<p>(a) Management should ensure that designated CPCM support is in place to assist in future procurement projects (for vehicles and major operational equipment) up to March 2023 and that an alternative arrangement is developed for post LGR Vesting Day.</p> <p>(b) The support arrangements should include the provision of ongoing / periodic awareness training for CFRS staff involved in the procurement process, so they are familiar with these and able to meet any necessary requirements.</p>				
Previous Update	<p>There is no evidence that CPCM support is in place for procurement of vehicles and major operational equipment by CFRS although CPCM is referred to in the draft CFRS procedure for procurement. CFRS staff involved in the procurement process have not yet been trained on this requirement as the procedure is still being drafted.</p> <p>This is important as key staff are leaving Fire Service in December 2022 and new arrangements will also be required post LGR Vesting Day in April 2023.</p>				
Responsible Officer/s	Nathaniel Hooton, Area Manager – Service Support Sean Hevey, Station Manager	Original implementation date	N/A	Revised implementation date(s)	N/A
Latest Update	<p>It was confirmed that training on the new finance system, procurement and the governance framework has now been completed and there is now a continuous programme of training to ensure that professional development is maintained for all staff and new starters involved in these areas.</p>				
New implementation date	N/A	Status	Implemented	The recommendation has been implemented	

Audit title	Procurement and Disposal of Vehicles and Major Operational Equipment	Audit year	2020/21	Priority	Medium
Recommendation	<p>a) CFRS should ensure that evidence of the inspection visits to the Supplier, to check on the build progress of the vehicles, is retained.</p> <p>b) There should be written documentation that agreement has been given by CFRS for the release of the interim and final payments to the supplier.</p> <p>c) These arrangements should also be set out in the CFRS Procedure for procurement of vehicles.</p>				
Previous Update	<p>Payments made in respect of new fire appliances are made by Fleet Services on an interim basis at different points in the build process. We were advised by CFRS that they would normally confirm that payment could be processed following their (CFRS and Fleet) visit to the Supplier to visually check progress to confirm that the build is in accordance with the agreed specification. No record of the interim or final inspection visits was retained by CFRS, though a checklist was said to be completed as part of the inspections.</p> <p>Follow up audit of CFRS – Procurement of Vehicles & Major Operational Equipment Fleet confirmed that on receipt of the interim invoices that CFRS are contacted to confirm that the invoice can be receipted, and payment made. This approval was obtained over the phone, so there was no documented evidence that that CFRS, as budget holder, has approved the payment.</p>				
Responsible Officer/s	Nathaniel Hooton, Area Manager – Service Support Sean Hevey, Station Manager	Original implementation date	N/A	Revised implementation date(s)	N/A
Latest Update	Work is underway to use existing decision papers to capture supplier inspection visits and agreement for the release of interim and final payments to the supplier. It was, however, stated that this is not yet complete and operational.				
New implementation date	TBC	Status	Implemented	Implementation is in progress.	

Audit title	Procurement and Disposal of Vehicles and Major Operational Equipment	Audit year	2020/21	Priority	Medium
Recommendation	<p>a) CFRS’s periodic physical check of vehicles to what is recorded on TRANMAN should be more robust to ensure that the asset register is up to date and that insurance is in place as required.</p> <p>b) Evidence that the check has taken place and that any anomalies identified have been followed up should be clearly recorded.</p>				
Previous Update	<p>All Council vehicles are recorded in Fleet Services asset register (TRANMAN) and this includes all CFRS vehicles. Periodically Fleet Services provided CFRS with a list of the CFRS vehicles held on TRANMAN for information. Management advised that the list was checked for accuracy to ensure that details on TRANMAN agreed to actual physical vehicles in CFRS.</p> <p>Our sample testing identified some anomalies which should have been picked up by the regular checks. These included:</p> <ul style="list-style-type: none"> • A Fire Engine that was sold in 2014, which was not removed from Tranman until 2020. This vehicle also appeared to have been removed from the Motor Insurance Database (also updated by Fleet) in 2003. • Two Fire Engines that were disposed of in 2019 (one sold and one donated) were still included in the Motor Insurance Database in January 2021. <p>TRANMAN records are also used to periodically inform the Insurance Section in Finance of which vehicles require cover, so it is essential they are accurate and up to date.</p>				
Responsible Officer/s	Nathaniel Hooton, Area Manager – Service Support Sean Hevey, Station Manager	Original implementation date	N/A	Revised implementation date(s)	N/A
Latest Update	<p>There was a move to a new fleet management system in April 2024 which provides greater reporting and compliance data ensure that an effective audit trail is in place. An annual audit is now undertaken to ensure that records remain accurate. CFRS is exploring options to bring the vehicle compliance programme in-house from 2024 to reduce the reliance on third parties.</p>				
New implementation date	N/A	Status	Superseded	The recommendation has been superseded.	

10. Operational Assurance

Audit title	Operational Assurance	Audit year	2021/22	Priority	High
Recommendation	<p>a) Appropriate arrangements should be put in place to ensure that each action on individual Multi-agency Action Plans has a target completion date as a prompt for the manager completing this.</p> <p>b) The Consolidated Action Plan should include a target completion date for each debrief action so timely implementation of actions can be monitored.</p> <p>c) Management should ensure that the Programme Board reviews the Consolidated Action Plan on a regular basis to ensure that actions are being implemented in line with agreed timescales.</p> <p>d) Management should ensure that the proposed follow up process to confirm, validate and demonstrate that Post Incident Debrief Actions have been implemented, is put in place.</p>				
Previous Update	<ul style="list-style-type: none"> • Examples of a recent Level 2 and multi-agency debrief action plan were reviewed: Audit testing confirmed that the Level 2 Debrief action plan (for incident at Cogra Moss and adjacent fells) shows against each action a target completion date. These actions have not been fully implemented. Audit testing confirmed that the multi-agency debrief action plan (for incident at Rockcliffe – North Waste Recycling Ltd) shows it is a draft plan with clearly defined actions but no completion dates against each action. The temporary Area Manager PDA informed audit that all debrief action plans were recently reviewed and all outstanding actions from previous debrief action plans are included in a single Consolidated Action Plan. • The Consolidated Action Plan is still being developed and will be used to monitor and report on progress against the level 2 and multi-agency debrief actions. The single action plan shows against each debrief action a priority grading but no target completion date. All debrief actions are priority graded blue indicating these are routine and very minor in nature. The Assurance Department decides the priority grading of each debrief action. • The PDA Management meeting and Programme Board Meetings are regularly held to review progress against actions plans but neither the debrief action plans or Consolidated Action Plan have been presented at these meetings. • A follow up process is being developed to confirm debrief actions have been implemented. The temporary Area Manager PDA informed audit that actions that are signed off will become part of the monitor, audit and review process completed by the assurance team who will sample actions signed off to ensure ongoing compliance. To date this process has not yet started. 				
Responsible Officer/s	Andy Lee, Interim Area Manager, Head of People, Development and Assurance	Original implementation date	N/A	Revised implementation date(s)	N/A
Latest Update	The Operational Assurance process has gone through significant changes since 2021/22 and the recommendation as therefore no longer fully relevant. An Operational Response Review Group and Operational Improvement Group are now in place. The Assurance Policy has been amended to include a multi-agency action plan.				
New implementation date	N/A	Status	Superseded	The recommendation has been superseded.	

Audit title	Operational Assurance	Audit year	2021/22	Priority	High
Recommendation	<p>a) Management should ensure that risk 4 on the CFRS Risk Register is updated to show the current controls and measures to manage this risk.</p> <p>b) The Programme Board’s outcome of the review and discussions relating to CFRS Risk Register should be documented.</p> <p>c) Appropriate arrangements should be made to train managers on the approach to recording and reporting the assessment of risks on the CFRS Risk Register.</p>				
Previous Update	<ul style="list-style-type: none"> • The controls & measures relating to Risk 4 on the CFRS Risk Register do not include actual controls. We would expect to see key activities of Operational Assurance included here, for example, documented debriefs and action plans for serious/complex incidents, monitoring of completion of action plans and service improvements etc. Those controls & measures that were listed for Risk 4 had not been updated for 2 quarters. In quarter 3 risk register (December 2021) it is the same text as quarter 2 (September 2021) and none of the controls relate to quality assurance of operational activities. The quarter 3 risk register shows the temporary Area Manager PDA was Follow up audit of CFRS – Operational Assurance assigned as the risk owner. Since quarter 2 (July 2021) there has been no further updates on the improvement controls & measures to manage risk 4 documented on the CFRS Risk Register. The Programme Board has insufficient evidence to be assured that controls to manage risk 4 are in place and operating effectively. • Programme Board meetings are regularly held and are used to review the CFRS Risk Register. There is no record to demonstrate the Programme Board’s outcome of the review of risk 4 on the CFRS Risk Register. • We have increased the priority of this recommendation to high as there is no evidence that senior management are provided with up-to-date information on key controls in place to mitigate the identified risk. 				
Responsible Officer/s	Andy Lee, Interim Area Manager, Head of People, Development and Assurance	Original implementation date	N/A	Revised implementation date(s)	N/A
Latest Update	The specific risk referred to in the original recommendation has since been removed.				
New implementation date	N/A	Status	Superseded	The recommendation has been superseded.	

Audit title	Operational Assurance	Audit year	2021/22	Priority	Medium
Recommendation	<p>a) Management should ensure that the PDA delivery plan actions are SMART with target timescales. The PDA delivery plan should be aligned to the CFRS Service Plan and HMICFRS report.</p> <p>b) Management should ensure that regular reporting is put in place to monitor progress against the PDA Delivery Plan actions, KPIs and target timescales.</p>				
Previous Update	<ul style="list-style-type: none"> • We were informed that the PDA Department currently have a Plan on a Page but it has no measurable outcomes. A PDA strategic planning cycle has been introduced and a Delivery plan for 2022-23 is currently being developed. This will include SMART actions and KPIs and will be shared with SLT in due course. • PDA Leadership meetings are held every 2 weeks with the PDA GMs and SMs. These meetings are used to review by exception the PDA Plan on a Page. Actions from these meetings are documented. • Monthly Service Delivery meetings are held regularly, and the Temporary Area Manager PDA attends these meeting to provide progress updates against the PDA Plan on a Page. The Service Delivery agenda shows the meetings are used to review progress and overall percentage completion against the plan. The meeting notes show that since November 2021 the overall completion against the plan has remained at 40%. We were informed that as the PDA Plan on a Page is devoid of actions / deadlines an assessment is made on the completion of improvements / achievements to-date. 				
Responsible Officer/s	Andy Lee, Interim Area Manager, Head of People, Development and Assurance	Original implementation date	N/A	Revised implementation date(s)	N/A
Latest Update	There have been significant changes to the Operational Assurance process. The People, Development and Assurance department has since been replaced with a Learning and Development department, which has a new Learning and Development Plan for 2024-27.				
New implementation date	N/A	Status	Superseded	The recommendation has been superseded.	

11. Maintenance of Operational Equipment

Audit title	Maintenance of Operational Equipment	Audit year	2022/23	Priority	2
Recommendation	Management should ensure that test frequencies are recorded against equipment in ID Hammer so that due dates for inspection can be accurately calculated.				
Initial Management Response	<p>It is agreed that this is a requirement from the testing and inspection system. Actions are as follows:</p> <ul style="list-style-type: none"> - Enquire as to whether this was going to be implemented as part of the project plan. - Revise/confirm the testing and inspection frequencies for equipment. - Establish how these frequencies can be added to the system - Produce a timescale for the completion of this activity. - Provide confirmation to the responsible manager on completion. 				
Responsible Officer/s	Tony Paterson, Group Manager - Service Support Richard Gibson, Station Manager – Technical Services	Original implementation date	N/A	Revised implementation date(s)	N/A
Latest Update	It was confirmed that ID Hammer will become unsupported software in 2025. There are plans to move to a new asset management system following approval of a business case which is currently being developed. There are plans for this new asset management system to be rolled out in 2025. An Excel workbook is being utilised in the interim to manage equipment testing and this was subject to an assurance inspection in May 2024.				
New implementation date	N/A	Status	Superseded	The recommendation has been superseded.	

Audit title	Maintenance of Operational Equipment	Audit year	2022/23	Priority	2
Recommendation	<p>a) The periodic inspection testing policy should be brought up to date, approved and rolled out to staff as soon as possible, with any changes to testing clearly highlighted to them.</p> <p>b) It should be ensured that the spreadsheet of inspection / testing frequencies is updated with any changes following the periodic inspection testing policy review.</p>				
Initial Management Response	<p>It is agreed that the policy should be revised to reflect the expectations for testing and inspection. Actions are as follows:</p> <ul style="list-style-type: none"> - Enquire as to whether this was going to be implemented as part of the project plan. - Revise/confirm the testing and inspection frequencies for equipment. - Review where the instructions on testing frequencies will be located. - Revise the policy to reflect frequencies and the use of ID Hammer. - Provide confirmation to the responsible manager on completion. 				
Responsible Officer/s	Tony Paterson, Group Manager - Service Support Richard Gibson, Station Manager – Technical Services	Original implementation date	N/A	Revised implementation date(s)	N/A
Latest Update	It was confirmed that the Periodic Inspection Testing Policy is still be reviewed and is due for completion and publication by October 2024.				
New implementation date	31/10/2024	Status	Outstanding	Implementation is in progress.	

Audit title	Maintenance of Operational Equipment	Audit year	2022/23	Priority	2
Recommendation	Management should ensure that reporting is progressed as soon as possible and that all required information can be easily obtained from the ID Hammer system.				
Initial Management Response	<p>It is agreed that this is a requirement from the testing and inspection system. Actions are as follows:</p> <ul style="list-style-type: none"> - Enquire as to whether this was going to be implemented as part of the project plan. - Consider options to implement performance management tools and reports, ensure the system does not have a single point of failure. - Decide on method to use and who will be able to build the system. - Start building this asap so that it will be ready for when the data arrives. - Provide confirmation to the responsible manager on completion. 				
Responsible Officer/s	Tony Paterson, Group Manager - Service Support Richard Gibson, Station Manager – Technical Services	Original implementation date	N/A	Revised implementation date(s)	N/A
Latest Update	<p>The implementation of ID Hammer has only partially met the needs of the Service and will be unsupported software from 2025. The current ID Hammer reporting tool is resource intensive and has not proven to be an efficient way of working.</p> <p>The Service has agreed to move to a new asset management software with Fire Watch subject to a business case being approved (currently under development). This will provide enhanced reporting and asset life management and is expected to be more cost effective. The programme will be rolled out in 2025. An interim spreadsheet solution is in place across all 38 sites.</p>				
New implementation date	N/A	Status	Superseded	The recommendation has been superseded.	

Cumbria Commissioner Fire and Rescue Authority 2023-24

Audit Plan

Year ending 31 March 2024

29 August 2024



Contents

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Fire and Rescue Authority or all weaknesses in your internal controls.

This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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1. Key matters

National context

Fire authorities have been impacted by budgetary and inflationary pressures, specifically in respect of national firefighter pay awards, however, the Fire sector has generally faced a lesser degree of demand and budget pressures when compared with other public services and local government bodies, and Fire authorities generally hold a more sustainable level of general fund usable reserves to deal with any short-term headwinds.

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.

There continues to be a drive for greater collaboration between wider blue-light services although it is generally accepted that there is a greater level of understanding of which services best lend themselves to efficient and effective collaboration has been developed since the drive for greater blue-light collaboration was first pursued by the coalition government around 10 years ago.

In 2022, Central Government published a White Paper on reforming fire and rescue, and launched a consultation process, which centred around the following three themes: people, professionalism and governance. In particular, it was aimed at offering better support for fire and rescue services, including tools to tackle changes and challenges within the community. We understand that 290 responses to the consultation were received nationally. In terms of the governance strand, it is understood that Government is exploring a means to implement operational independence for chief fire officers with the potential for a corporation sole model to be adopted across fire and rescue authorities.

In relation to the people and professionalism strands, there is a proposal to establish a College of Fire and Rescue unifying training requirements across Fire and Rescue Authorities and setting ethical and professional standards for fire officers. Other actions identified within the people strand included reviewing whether the National Joint Fire and Rescue Authority (NJC) pay review mechanism remains fit for purpose in its current form, and an opportunity for government to work with the National Fire Chiefs Fire and Rescue Authority to broaden the use of direct entry schemes to attract the best talent to management positions. Direct entry is defined as the recruitment of external candidates (non-firefighters) to management roles. The government's response to the consultation indicated that mix of both internal and external hires is preferable.

Legislation has recently been passed to bring in minimum service levels for the fire and rescue sector. The minimum service level in the fire and rescue sector has been set at 73% of fire engines crewed, while control rooms will be expected to operate normally during industrial action. It is our understanding that it will be for each fire and rescue authority to obtain its Members' agreement on how this legislation be implemented locally, which may include a level of engagement with local representatives of the Fire Brigade Union, the principal union in which firefighters partake nationally.

As your auditor, in planning our audit, we have given regard to the national context in designing an appropriate programme of audit.

1. Key matters

Local context

On 1 April 2023, as a result of Local Government Reorganisation (LGR) in Cumbria, Cumbria Commissioner Fire and Rescue Authority was established, with the fire service being disaggregated from Cumbria County Council (CCC). 2023-24 is therefore the first-year of operation and we have identified a number of areas of audit focus associated with this and from our initial planning and risk assessments. These are discussed further in Section 3.

Audit Reporting Delays

Against a backdrop of ongoing audit reporting delays, in October 2023 PSAA found that only five local government accounts had been signed by the September deadline. In June 2023 the Public Accounts Committee (PAC) also produced a report setting out their concerns over these audit reporting delays. We issued our report About time? in March 2023 which explored the reasons for delayed publication of audited local authority accounts. In our view, to enable a timely sign off of the financial statements, it is critical that draft local authority accounts are prepared to a high standard and are supported by strong working papers.

Our Responses

- As a firm, we are absolutely committed to audit quality and financial reporting in the local government sector. Our proposed work and fee, as set out in this Audit Plan has been agreed with the Chief Finance Officer.
- We commenced meetings with the Chief Finance Officer on a quarterly basis as part of our commitment to keep you fully informed on the progress of the audit.
- We will continue to meet informally with the Chair of your Joint Audit Committee, to brief them on the progress of the audit work to date.
- We will consider your arrangements for managing and reporting your financial resources as part of our value for money work. Our value for money work will also consider your arrangements relating to governance and improving economy, efficiency and effectiveness.
- We will continue to provide you and your Joint Audit Committee with sector updates providing our insight on issues from a range of sources and other sector commentators via our Joint Audit Committee updates.
- We hold annual financial reporting workshops for our audited bodies to access the latest technical guidance and interpretations, to discuss issues with financial reporting specialists to support consistent and accurate financial reporting across the sector.
- With the ongoing financial pressures being faced by public services bodies, in planning this audit we have considered the financial viability of the Fire and Rescue Authority. We are satisfied that the going concern basis remains the correct basis behind the preparation of the accounts. We will keep this under review throughout the duration of our appointment as auditors of the Fire and Rescue Authority.

2. Introduction and headlines

Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Cumbria Commissioner Fire and Rescue Authority ('the Fire and Rescue Authority') for those charged with governance.

Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. The NAO is in the process of updating the Code to make provision for the local authority accounts backstop legislation. We will communicate any impact that this revisions may have on our proposed audit approach with officers and Audit Committee, once these have been confirmed.

Our respective responsibilities are also set out in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of the Fire and Rescue Authority. We draw your attention to these documents.

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Fire and Rescue Authority's financial statements that have been prepared by management with the oversight of those charged with governance (the Joint Audit Committee); and we consider whether there are sufficient arrangements in place at the Fire and Rescue Authority for securing economy, efficiency and effectiveness in your use of resources. Value for money relates to ensuring that resources are used efficiently in order to maximise the outcomes that can be achieved.

The audit of the financial statements does not relieve management or the Joint Audit Committee of your responsibilities. It is the responsibility of the Fire and Rescue Authority to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Fire and Rescue Authority is fulfilling these responsibilities. Our audit approach is based on a thorough understanding of the Fire and Rescue Authority's business and is risk based.



Introduction and headlines

Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Risk of fraud related to expenditure recognition
- Management override of controls
- Closing valuation of land & buildings
- Valuation of pension fund net asset/liability position

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report targeted for the March 2025 Audit Committee.

Materiality

We have determined headline planning materiality to be £440k, which equates to 1.5% of your forecast gross expenditure per the Quarter 3 internal revenue monitoring report. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at £22k.

Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money has identified the following risks of significant weakness for consideration:

- Financial planning arrangements
- Capital programming and delivery
- Internal controls
- Cyber security and disaster recovery
- Skills and capacity
- Financial governance
- Procurement and contract management arrangements

We will continue to update our risk assessment until we issue our Auditor's Annual Report.

Introduction and headlines

Audit logistics

Our planning work commenced in early 2024. Our additional detailed planning work is ongoing and the final accounts work will begin in the autumn of 2024 and is expected to continue up until the end of the calendar year. Our key deliverables are this Audit Plan, our Audit Findings (ISA260) Report and our Auditor's Annual Report on your VFM arrangements.

Our proposed fee for the audit will be £105,879, subject to the Fire and Rescue Authority delivering a good set of financial statements and working papers and no significant new financial reporting matters arising that require additional time and/or specialist input.

We have complied with the Financial Reporting Council's Ethical Standard (revised 2019) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

3. Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
ISA240 revenue risk – risk of fraud in revenue recognition	<p>Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Fire and Rescue Authority, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none">• there is little incentive to manipulate revenue recognition;• opportunities to manipulate revenue recognition are very limited given their nature and predictability; and• the culture and ethical frameworks of public services bodies, including the Fire and Rescue Authority, mean that all forms of fraud are seen as unacceptable. <p>Therefore, we do not consider this to be a significant risk for the Fire and Rescue Authority.</p>

‘Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, due to either size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty.’ (ISA (UK) 315)

Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Risk of fraud related to expenditure recognition (PAF Practice Note 10)	<p>In line with the Public Audit Forum Practice Note 10, in the public sector, auditors must also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period).</p>	<p>Following re-organisation the Authority financial systems have been hosted and run for part of the year by the new Unitary Authorities. The accounts payable system for example was structured with Fire Authority invoices being received and processed by Cumberland Council and related payments made from the Westmorland and Furness bank account. The Authority did not have its own finance team in place for the full year with the ledger being operated by staff at Cumberland. Although a budget was set in February 2023 for the Authority and monitoring undertaken regularly, there were issues in the ledger system provided through Cumberland Council not being able to record budgets, with alternative solutions put in place to use raw ledger data on spreadsheets. We are also aware of issues with recharges from Unitary Authorities, bank reconciliations and accuracy of payroll charges. Given these issues, we are unable to rebut the risk of fraud or error related to expenditure recognition.</p> <p>To address this significant risk, we will:</p> <ul style="list-style-type: none"> • Evaluate the Fire and Rescue Authority's accounting policy for expenditure recognition for appropriateness and compliance with the CIPFA Code; • Obtain an understanding of the Fire and Rescue Authority's system for accounting for non-pay operating expenditure and evaluate the design and implementation of the associated controls; • Evaluate the Fire and Rescue Authority's estimates and the judgments made by management in respect of expenditure accruals; • Document the goods /services received but not invoiced accrual process and the processes management have put in place, challenging any key assumptions, the appropriateness of the source data used and the basis for calculations; • Test substantively a sample of such expenditure and agree to supporting documentation to confirm correct accounting treatment; • Obtain a listing from the cash book or equivalent of payments in March and post year-end, testing a sample to ensure they have been charged to the appropriate year; and • Obtain a listing of invoices paid in March and post year-end, testing a sample to ensure they have been charged to the appropriate year.

Significant risks identified - continued

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Management over-ride of controls	Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.	We will: <ul style="list-style-type: none"> • make inquiries of finance staff regarding their knowledge of potential instances of management override of controls; • evaluate the design effectiveness of management controls over journals. This will include the controls management has in place to review journal postings; • analyse the journals listing and determine the criteria for selecting high risk unusual journals and those falling into certain criteria determined by the audit team; • perform a risk-based interrogation of the financial ledger to identify any unusual and potentially fraudulent transactions for testing; • test a sample of journals recorded during the year and after the draft year-end as part of the draft accounts production process for appropriateness and corroboration; • gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence; • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions; and • understand the ledger integration with relevant sources and sub-systems, as applicable, to identify how management may be able to intervene in the journals posting process and post fraudulent entries.

Management should expect engagement teams to challenge areas that are complex, significant or highly judgmental. This may be the case for accounting estimates and similar areas. Management should also expect to provide to engagement teams with sufficient evidence to support their judgments and the approach they have adopted for key accounting policies, with reference to accounting standards or changes thereto.

Where estimates are used in the preparation of the financial statements management should expect teams to challenge management's assumptions and request evidence to support those assumptions.

Significant risks identified - continued

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Closing valuation of land and buildings	<p>This valuation is expected to represent a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions.</p> <p>Additionally, management will need to ensure the carrying value in the Fire and Rescue Authority's financial statements is not materially different from the current value at the financial statements date, where a rolling programme is used.</p> <p>We therefore identified the closing valuation of land and buildings, as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>The Fire and Rescue Authority holds only specialised buildings within its portfolio, which comprise of fire stations. The valuation approach is depreciated replacement cost (DRC) with the key valuation assumptions being the rebuild cost, building size and adjustments for obsolescence (buildings age, condition & functionality).</p> <p>We will:</p> <ul style="list-style-type: none"> • evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work; • evaluate the competence, capabilities and objectivity of the valuation expert; • Write to the valuer and discuss with them the basis on which the valuation was carried out; • challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding; • evaluate the valuation report to identify assets that have large and unusual movements and/or changes in valuation approach. Identified assets will be substantively tested to ensure valuations are reasonable; • test a sample of other asset valuations, considering assumptions and approaches in addition to ensuring movements have been input accurately into the asset register and appropriately accounted for in the financial statements; • evaluate the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value at year end; • consider, where the valuation date is not 31 March 2024 for assets valued in year, the arrangements management has used to ensure the valuation remains materially appropriate at 31 March 2024; and • agree, on a sample basis, the internal floor areas (GIAs) to records held by the estates management function.

Significant risks identified - continued

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
<p>Valuation of the pension fund net liability</p>	<p>The Fire and Rescue Authority has two pension schemes (The Local Government Pension Scheme provided by Cumbria Pension fund and the Firefighters' Pension scheme). The Local Government Pension Scheme is a funded scheme with invested assets. The Firefighters pension scheme is an unfunded scheme, for which the Fire and Rescue Authority receives a pension grant from Central Government annually to aid with making pension payments to pension fund members.</p> <p>The net asset/liability of these schemes reported in the financial statements are expected to represent a significant estimate subject to significant estimation uncertainty and sensitivity to small adjustments in key assumptions.</p> <p>The actuarial assumptions used as the responsibility of management based on the advice given by the relevant actuary. A small change in key assumptions (discount rate, inflation rates, life expectancy) can have a significant impact on the calculated asset and liability values.</p> <p>We therefore concluded that there is a significant risk of material misstatement in the IAS 19 estimates and that the valuation of the Authority's pension fund net asset/liability is a significant risk.</p>	<p>We will:</p> <ul style="list-style-type: none"> • document our understanding of the processes and controls put in place by management to ensure that the Fire and Rescue Authority's pension fund net liability is not materially misstated and evaluate the design of the fund assets valuation in the pension fund financial statements and associated controls; • evaluate the instructions issued by management to their management experts for this estimate and the scope of the actuary's work; • assess the competence, capabilities and objectivity of the who carried out the Fire and Rescue Authority's pension fund valuations; • assess the accuracy and completeness of the information provided by the Fire and Rescue Authority to the two actuaries to estimate the IAS19 pension liability; • test the consistency of the pension fund figures and disclosures in the draft financial statements with the actuarial reports received; • undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; • obtain assurances from the auditor of the Cumbria Local Government Pension Scheme as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the Fire and Rescue Authority; and • perform appropriate data checks in respect of Firefighters' membership data and test the accuracy and validity of movements since the most recent triennial valuation, where material changes were identified.

Other risks identified

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings Report.

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Employee costs	<ul style="list-style-type: none">Payroll was processed by Cumberland Council during the year using the legacy Cumbria County Council payroll system. Payroll costs were paid out of Cumberland Council's bank account on behalf of the Fire and Rescue Authority.Overpayments have been identified as being made by the Fire and Rescue Authority during the year due to issues with the allocation of disaggregated payroll costs to successor bodies.	<p>We will:</p> <ul style="list-style-type: none">Understand the Fire and Rescue Authority's processes and controls in place for payroll, particularly occurrence and accuracy during the year;Consider whether use of substantive analytical procedures are appropriate to gain level of assurance required and if not, conduct substantive procedures designed to give assurance over payroll costs included within the financial statements; andUnderstand how payroll costs are posted into the ledger and ensure total payroll costs per payroll system reconcile to those posted to the ledger at year end.
Cash and cash equivalents - bank reconciliations	<ul style="list-style-type: none">No cashbook management processes in place or bank reconciliations completed within the year.	<p>We will review the March 2024 bank reconciliation to ensure the appropriate controls were in place by the year-end. Reconciling items included in the reconciliation will be considered and followed up as necessary.</p>

Other risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
<p>Issues arising following disaggregation from Cumbria County Council (CCC)</p>	<p>Following Local Government Re-organisation, the Authority opening balances have been disaggregated from the Balance Sheet of Cumbria County Council to form the opening Balances of the Authority as at 1 April 2023. These opening balances are subject to audit in order to gain assurance over accuracy and completeness.</p> <p>Disaggregation can be a challenging process and there is a risk of error in this process. As a result, we are required to perform procedures to gain assurance.</p> <p>We understand that the disaggregation process has been completed and is subject to review and agreement and incorporation into the draft financial statements.</p> <p>The Authority is heavily reliant on the two Unitary councils for the disaggregation process and where issues have arisen, the Authority is subject to delays at the Unitary Councils in progressing and resolving these.</p>	<p>We will:</p> <ul style="list-style-type: none">• review the conclusions reached on the disaggregation of opening balances of the Authority from Cumbria County Council;• test whether the agreed disaggregated balance sheet has been accounted for appropriately;• review matters in dispute and whether they are appropriately accounted for; and• if agreement has not been reached on the disaggregated position we will consider the impact this may have on our audit opinion.

Other risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
<p>Issues arising following disaggregation from Cumbria County Council (CCC)</p>	<p>Before Local Government Re-organisation in Cumbria, the Fire Service was incorporated into Cumbria County Council. As a new organisation in its first year of audit, we have performed initial procedures to consider potential risks and issues arising. This has included discussions with management and review of minutes and other documentation.</p> <p>Following transition we are aware that there is a complex IT structure in place involving hosted services being provided on behalf of the Authority by Cumberland Council, Westmorland & Furness Council and Cumbria Police. This includes</p> <ul style="list-style-type: none"> • the General ledger hosted within Westmorland & Furness Council (W&FC); • accounts payable invoices processed by Cumberland Council with payments coming out of W&FC bank account; • payroll processed by Cumberland Council; and • treasury management completed by Cumbria Police finance team. <p>In addition, the Authority did not have a substantive finance team in place for 8 months of the financial year with Council finance staff involved in supporting transactional processing. This gives rise to an increased risk of fraud and error.</p>	<p>As a result of the issues arising following disaggregation from CCC, we will:</p> <ul style="list-style-type: none"> • review manual processes and workarounds in relation to the complex systems in place as part of our work on business processes and relevant controls; • consider the findings of ITGC reviews of hosted services and the impact on our audit approach; • review processes and transactions involved in re-charging the authority by the Unitary Councils • consider procedures to gain assurance over transactions processed by Council finance teams on behalf of the Authority and journal postings by Council staff prior to and beyond the establishment of a substantive finance team; and • increase our professional scepticism across the audit.

4. Other matters

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the Fire and Rescue Authority.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with requirements set by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
 - giving electors the opportunity to raise questions about your financial statements, consider and decide upon any objections received in relation to the financial statements;
 - issuing a report in the public interest or written recommendations to the Fire and Rescue Authority under section 24 of the Local Audit and Accountability Act 2014 (the Act);
 - application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act;
 - issuing an advisory notice under section 29 of the Act.
- We certify completion of our audit.

Other material balances and transactions

Under International Standards on Auditing, 'irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure'. All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

5. Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Description

Determination

We have determined financial statement materiality based on a proportion of the forecast gross expenditure for the financial year per the Quarter 3 internal revenue monitoring report. Materiality at the planning stage of our audit is £440k, which equates to 1.5% of your forecast gross expenditure. The benchmark we have set for materiality reflects the inherent risk we have identified from the issues arising following LGR the disaggregation from CCC. It is likely that the materiality will change on receipt of the draft financial statements and application of the benchmark to gross expenditure on surplus/deficit of services.

Other factors

An item does not necessarily have to be large to be considered to have a material effect on the financial statements. An item may be considered to be material by nature where it may affect instances when greater precision is required.

Reassessment of materiality

Our assessment of materiality is kept under review throughout the audit process.

Other communications relating to materiality we will report to the Joint Audit Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Joint Audit Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

Planned audit procedures

We determine planning materiality in order to:

- establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements;
- assist in establishing the scope of our audit engagement and audit tests;
- determine sample sizes and
- assist in evaluating the effect of known and likely misstatements in the financial statements.

We have identified senior officer remuneration as a balance where we will apply a lower materiality level, as these are considered sensitive disclosures. We have set a materiality of 2% of the senior officer remuneration note value.

We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

We report to the Joint Audit Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.

In the context of the Fire and Rescue Authority, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £22k. If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Joint Audit Committee to assist it in fulfilling its governance responsibilities.

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

	Amount (£)	Qualitative factors considered
Materiality for the Fire and Rescue Authority's financial statements	440k	This equates to 1.5% of the Fire and Rescue Authority's Forecast Gross Expenditure for 2023-24 based on the Quarter 3 internal revenue monitoring report.
Performance materiality	308k	This has been set at 70% of headline materiality. This reflects the fact that it is the first year of operations for the Fire and Rescue Authority, and therefore the audit team is not familiar with the control environment within the Authority. As the systems and controls are also being set up and some systems are operated outside of the Fire and Rescue Authority, we consider a reduced performance materiality appropriate.
Trivial matters	22k	This equates to 5% of headline materiality and represents our threshold for reporting corrected and uncorrected misstatements to the Joint Audit Committee.
Materiality for specific transactions, balances or disclosures - senior officer remuneration	2%	The senior officer remuneration disclosures in the financial statements have been identified as an area requiring a specific materiality due to their sensitive nature.

6. IT audit strategy

In accordance with ISA (UK) 315 Revised, we are required to obtain an understanding of the relevant IT and technical infrastructure and details of the processes that operate within the IT environment. We are also required to consider the information captured to identify any audit relevant risks and design appropriate audit procedures in response. As part of this we obtain an understanding of the controls operating over relevant Information Technology (IT) systems i.e., IT general controls (ITGCs). Our audit will include completing an assessment of the design and implementation of relevant ITGCs.

The following IT systems have been judged to be in scope for our audit and based on the planned financial statement audit approach we will perform the level of assessment required. We will keep this under review as the audit progresses and update our understanding if there are additional IT systems within the scope of the audit. We will report to you including our assessments and findings (as applicable) in our Audit Findings (ISA260) Report targeted for the March 2025 Audit Committee.

IT system	Audit area	Planned level IT audit assessment
e5 (IT hosted within Cumberland Council)	Financial reporting, accounts payable	<ul style="list-style-type: none">• Detailed ITGC assessment design effectiveness• Application controls assessment• Test the design and implementation of the ITGCs• Review of cybersecurity controls
e5 (ledger hosted within W&F Council)	Accounts receivable	<ul style="list-style-type: none">• Detailed ITGC assessment design effectiveness• Application controls assessment• Test the design and implementation of the ITGCs• Review of cybersecurity controls

7. Value for Money arrangements

Approach to Value for Money work for the period ended 31 March 2024.

All Fire and Rescue Services 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.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Auditors are expected to report any significant weaknesses in the Council's arrangements should they come to their attention.

The National Audit Office's Auditor Guidance Note (AGN) 03, requires us to assess arrangements under three areas:



Financial Sustainability

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



Improving economy, efficiency and effectiveness

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

Risk planning

We undertook our risk planning in July 2024.

Risk response

We will respond to risks identified by undertaking desk top document reviews and stakeholder interviews between August to September 2024.

Reporting

We will share a draft Auditors Annual Report in September 2024 for comment with management. We will deliver our Auditors Annual Report to Joint Audit Committee in November 2024.

Risks of significant VFM weaknesses

As part of our planning work, we considered whether there were any risks of significant weaknesses in the Authority's arrangements for securing economy, efficiency and effectiveness from its resources that we need to perform further procedures on. Our planning work is ongoing but we have identified a number of areas for further review and of potential risk. These are identified below along with procedures we will perform. We may need to make recommendations following the completion of our work. The range of recommendations we can make are set out on page 23. The risks and issues identified largely arise as a result of Local Government Reorganisation and the associated challenges brought to the new Authority.

Financial planning arrangements

We need to review the disaggregation of the predecessor council's balance sheet, CFR, MRP, corporate and support services, capital financing, and reserves, and be satisfied that the Fire Service has a robust long-term transformation and savings programme in place. We also need to understand the financial sustainability impact of disaggregated services and the SLAs. We will need to review cash flow and cash planning.

Capital programming and delivery

We have identified capital programme slippage and a lack of reporting in year so will do more work to review the effectiveness of the capital programme and programme and project management. We have also identified a lack of investment in Fire estates and a building safety compliance which will need to be investigated.

Internal controls

We have identified a lack of internal audit reports in 2023-24. We also identified a lack of governance framework in place for Vesting Day - the Police, Fire and Crime Commissioner Corporate Governance framework did not refer to the Authority until February 2024.

Cyber security and disaster recovery

We have identified a lack of capacity for cyber security and disaster recovery at Cumberland Council who are hosting ICT including a shared Information Security Manager. There is a need for clarity about ownership for cyber security and disaster recovery hosting arrangements. We will explore these issues further through interviews and desk top analysis.

Risks of significant VFM weaknesses (continued)

Skills and capacity

Some services including finance, ICT, pensions and payroll are supported through wider SLA arrangements with the unitary councils and there is a risk that the disaggregation of these hosted functions will result in the withdrawal of support to CFRS without sufficient funding or resource to replace this. We will follow up on the SLAs as part of our work.

Financial governance

Budget monitoring was impacted in 2023-24 by Cumberland Council. There was also a lack of finance team in 2023-24 and we note delayed accounts production, as a result of the overall disaggregation from the new unitary councils.

Procurement and contract management arrangements.

We need to undertake further work on the procurement and contract management arrangements that were in place in 2023-24.



A range of different recommendations can be raised by the Council's auditors

Type of recommendation	Background
Statutory	Written recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.
Key	The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their arrangements to secure value for money, they should make recommendations setting out the actions that should be taken by the Council. We have defined these recommendations as 'key recommendations'.
Improvement	These recommendations, if implemented should improve the arrangements in place at in the Council but are not a result of identifying significant weaknesses in the Council's arrangements.

9. Audit logistics and team



Michael Green, Key Audit Partner and Engagement Lead

Provides oversight of the delivery of the audit including regular engagement with the Joint Audit Committee and senior management.

Hannah Foster, Engagement Manager

Plans and manages the delivery of the audit including regular contact with senior management. The key point of contact for the Fire and Rescue Authority's finance team.

Winnie Odour, Engagement Assistant Manager

Winnie is the key audit contact responsible for the day to day management and delivery of the audit work.

Audited Entity responsibilities

Where audited bodies do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other audited bodies. Where the elapsed time to complete an audit exceeds that agreed due to an entity not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to an entity not meeting their obligations we are not able to guarantee the delivery of the audit to the agreed timescales. In addition, delayed audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit, you need to :

- ensure that you produce draft financial statements of good quality by the deadline you have agreed with us, including all notes, the Narrative Report and the Annual Governance Statement
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you
- ensure that the agreed data reports are cleansed, are made available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples for testing
- ensure that all appropriate staff are available throughout the planned period of the audit (as per our responses to key matters set out on page 4)
- respond promptly and adequately to audit queries.

10. Audit fees and updated Auditing Standards

Audit fees are set by PSAA as part of their national procurement exercise. In 2023, PSAA awarded a contract of audit for West Yorkshire Fire and Rescue Authority to begin with effect from 2023-24. The scale fee set out in the PSAA contract for the 2023-24 audit is £103,565.

This contract sets out four contractual stage payments for this fee, with payment based on delivery of specified audit milestones:

- Production of the final auditor’s annual report for the previous Audit Year (exception for new clients in 2023-24 only)
- Production of the draft audit planning report to Audited Body
- 50% of planned hours of an audit have been completed
- 75% of planned hours of an audit have been completed.

Any variation to the scale fee will be determined by PSAA in accordance with their procedures as set out here <https://www.psa.co.uk/appointing-auditors-and-fees/fee-variations-overview/>

Assumptions

In setting these fees, we have assumed that the Fire and Rescue Authority will:

- prepare a good quality set of accounts, supported by comprehensive and well-presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements
- maintain adequate business processes and IT controls, supported by an appropriate IT infrastructure and control environment.

Updated Auditing Standards

The FRC has issued updated Auditing Standards in respect of Quality Management (ISQM 1 and ISQM 2). It has also issued an updated Standard on quality management for an audit of financial statements (ISA 220). We confirm we will comply with these standards.

Audit fees

Proposed fee 2023-24

Cumbria Commissioner Fire and Rescue Authority Scale Fee (per PSAA contract)	£100,859
Increased audit requirements of ISA 315 Revised – “Identifying and assessing the Risks of Material Misstatement” – (new controls requirement not included in the PSAA tender submission)	£5,020
Total audit fees (excluding VAT)	£105,879

Relevant professional standards

In preparing our fees, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC’s [Ethical Standard \(revised 2019\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

11. IFRS 16 ‘Leases’ and related disclosures

IFRS 16 will need to be implemented by public services bodies from 1 April 2024. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. As this is a shadow year for the implementation of IFRS 16, we will need to consider the work being undertaken by the Fire and Rescue Authority to ensure a smooth adoption of the new standard.

Introduction

IFRS 16 updates the definition of a lease to:

“a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.” In the public sector the definition of a lease is expanded to include arrangements with nil consideration.

IFRS 16 requires all leases to be accounted for 'on balance sheet' by the lessee (subject to the exemptions below), a major departure from the requirements of IAS 17 in respect of operating leases.

IFRS 16 requires a lessee to recognise assets and liabilities for leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. There is a single accounting model for all leases (similar to that of finance leases under IAS 17), with the following exceptions:

- leases of low value assets
- short-term leases (less than 12 months).

Lessor accounting is substantially unchanged leading to asymmetry of approach for some leases (operating) although if an NHS body is the intermediary and subletting there is a change in that the judgement between operating and finance lease is made with reference to the right of use asset rather than the underlying asset.

Fire and Rescue Authority's systems and processes

We believe that most public services bodies will need to reflect the effect of IFRS 16 changes in the following areas:

- accounting policies and disclosures
- application of judgment and estimation
- related internal controls that will require updating, if not overhauling, to reflect changes in accounting policies and processes
- systems to capture the process and maintain new lease data and for ongoing maintenance

Planning enquiries

As part of our planning risk assessment procedures we have discussed implementation of the standard with the Financial Accountant and we understand that the Fire and Rescue Authority will be adopting the standard from 1 April 2024 in line with many public service bodies. We note that the Fire and Rescue Authority will prepare the necessary impact statement highlighting the expected impact to readers, as required to be disclosed in the 2023-24 financial statements.

Further information

Further details on the requirements of IFRS16 can be found in the HM Treasury Financial Reporting Manual. Please refer to the following link:

[IFRS 16 Application Guidance December 2020 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/101222/IFRS_16_Application_Guidance_December_2020.pdf)

12. Independence and non-audit services

Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons. relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

We confirm that we have implemented policies and procedures to meet the requirements of the Ethical Standard. For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Fire and Rescue Authority.

Other services

No other services provided by Grant Thornton have been delivered and therefore, there are no matters to communicate.

Non-audit services provided prior to appointment

Ethical Standards require us to draw your attention to relevant information on recent non-audit/additional services before we were appointed as auditor.

No non-audit / audit-related services were provided prior to our appointment as external auditor. No impact on our independence has been identified.

13. Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor & management/those charged with governance	•	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	•	
Confirmation of independence and objectivity of the firm, the engagement team members and all other indirectly covered persons	•	•
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP, together with fees charged. Details of safeguards applied to threats to independence	•	•
Significant matters in relation to going concern	•	•
Matters in relation to the group audit, including: Scope of work on components, involvement of group auditors in component audits, concerns over quality of component auditors' work, limitations of scope on the group audit, fraud or suspected fraud	•	•
Significant findings from the audit		•
Significant matters and issue arising during the audit and written representations that have been sought		•
Significant difficulties encountered during the audit		•
Significant deficiencies in internal control identified during the audit		•
Significant matters arising in connection with related parties		•
Identification or suspicion of fraud (deliberate manipulation) involving management and/or which results in material misstatement of the financial statements		•
Non-compliance with laws and regulations		•
Unadjusted misstatements and material disclosure omissions		•
Expected modifications to the auditor's report, or emphasis of matter		•

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Plan, outlines our audit strategy and plan to deliver the audit, while the Audit Findings will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

14. Escalation policy

The Ministry of Housing, Communities & Local Government has recently announced the introduction of an audit backstop date on a rolling basis to encourage timelier completion of local government audits in the future.

As your statutory auditor, we understand the importance of appropriately resourcing audits with qualified staff to ensure high quality standards that meet regulatory expectations and national deadlines. It is the Authority's responsibility to produce true and fair accounts in accordance with the CIPFA Code by the 31 May 2024 and respond to audit information requests and queries in a timely manner.

As your recently-appointed external auditor, we are keen to work with you in a helpful and constructive manner, to enable audit and accounts opinions to be issued in a timely manner and to comply with the rolling backstop dates. The rolling backstop for the 2023-24 financial year will require the audit and accounts to have been concluded and signed off by the end of February 2025.

To help ensure that accounts audits can be completed on time in the future, we have introduced an escalation policy. This policy outlines the steps we will take to address any delays in draft accounts or responding to queries and information requests. If there are any delays, the following steps should be followed:

Step 1 - Communication with Chief Finance Officer (within one working day of the agreed deadline for draft accounts and working papers)

We will have a conversation with the Chief Finance Officer to identify reasons for the delay and review the Fire and Rescue Authority's plans to address it. We will set clear expectations for improvement.

Step 2 - Further Reminder (within two weeks of deadline)

If the initial conversation does not lead to improvement, we will send a reminder explaining outstanding queries and information requests, the deadline for responding, and the consequences of not responding by the deadline.

Step 3 - Escalation to Chief Fire Officer (within one month of deadline)

If the delay persists, we will escalate the issue to the Chief Fire Officer, including a detailed summary of the situation, steps taken to address the delay, and agreed deadline for responding..

Step 4 - Escalation to the Audit Committee (at next available Audit Committee meeting or in writing to Audit Committee Chair within 6 weeks of deadline)

If senior management is unable to resolve the delay, we will escalate the issue to the audit committee, including a detailed summary of the situation, steps taken to address the delay, and recommendations for next steps.

Step 5 – Consider use of wider powers (within two months of deadline)

If the delay persists despite all efforts, we will consider using wider powers, e.g. issuing a statutory recommendation. This decision will be made only after all other options have been exhausted. We will consult with an internal risk panel to ensure appropriateness.

By following these steps, we aim to ensure that delays in responding to queries and information requests are addressed in a timely and effective manner, and that we are able to provide timely assurance to key stakeholders including the public on the Fire and Rescue Authority's financial statements.



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Cumbria Commissioner Fire and Rescue Authority



Treasury Management Activities 2024/25 for the period 01 April 2024 to 30 June 2024

Exec Board Fire 04/09/2024 and Joint Audit Committee 25/09/2024

Agenda Item No 13



Cash flow Balances

Quarter 1 average daily balance - £8.082m

Investment balance @ 30/06/24 £10.480m

Investment Strategy

Category	Category Limit (£m)	Investments at 30 Jun (£m)	Compliance with Limit
1 - Banks Unsecured	5	0.400	Yes
2 - Banks Secured	5	0.000	Yes
3 - Government (inc LA)	no limit	8.350	Yes
4 - Registered Providers	2	0.000	Yes
5 - Pooled Funds	5	1.730	Yes
Total		10.480	

There have been no breaches in the approved limits to report during the reporting period.



Borrowing Strategy

The capital programme in 2024/25 include an expectation of borrowing requirement, however this will be dependent upon the expenditure incurred



Investment Interest Forecast

Base Budget - £278k

Current Estimate - £580k

Performance Indicators

Quarter 1	Number of Days	Average Balance £000	Largest Balance £000
Days In Credit	66	68	552
Days Overdrawn	0	0	0

Average interest rate earned – 3.63%

Average bank base rate – 5.25%

(Current bank base rate – 5.25%)

Treasury and Prudential Indicators

During the period 01 April 2024 and 30 June 2024, the treasury function has operated within the treasury and prudential indicators set out in the Treasury Management Strategy Statement and in compliance with the Treasury Management Practices.

Compliance with the prudential and treasury indicators are shown on page 3.

Economic Outlook and Treasury position for the quarter ended 30 June 2024

Base Rate Estimates	2024/25	2025/26	2026/27
Quarter 1	5.25	4.00	3.00
Quarter 2	5.00	3.50	3.00
Quarter 3	4.50	3.25	3.00
Quarter 4	4.00	3.00	3.00

UK GDP increased by 0.6% in 2024 Q1 this is more than expected during the first half of the year. The main factor is market sector growth being somewhat stronger than expected.

Twelve-month CPI inflation fell to 2.0% in May from 3.2% in March and remained at 2.0% in June. Indicators of short-term inflation expectations have also continued to moderate, particularly for households. CPI inflation is expected to rise slightly in the second half of this year, as declines in energy prices last year fall out of the annual comparison.

On 20th June the MPC maintained the Bank Rate at 5.25% for the seventh time. The vote was 7-2, with two members in favour of a decrease to 5%. The MPC has judged that monetary policy needs to be restrictive for an extended period of time, until the risk of inflation becoming embedded above the 2% target dissipates.

Borrowing position for the quarter ended 30 June 2024

The CCFRA has a single loan with the Public Works Loan Bord. This loan was originally arranged in October 2018 by Cumbria County Council but was transferred to the CCFRA in April 2023 following the Local Government reorganisation. The loan value is £7.5m and is on a 10-year interest only arrangement @ 2.6%. The interest is due twice a year, in April and October.

Investments in place on 30 June 2024

Category/Institution	Credit Rating	Investment Date	Investment Matures	Days to Maturity	Rate (%)	Counterparty Total (£)
Category 1 - Banks Unsecured (Includes Banks & Building Societies)						
NatWest (Liquidity Select Acc)	A+		30/06/2024	O/N	1.45%	400,000
						400,000
Category 2 - Banks Secured (Includes Banks & Building Societies)						
None						0
Category 3 - Government (Includes HM Treasury and Other Local Authorities)						
Debt management Office	Gov	31-May-24	19-Jul-24	19	5.2050%	250,000
Debt management Office	Gov	07-Jun-24	31-Jul-24	31	5.1900%	1,000,000
Debt management Office	Gov	12-Jun-24	31-Jul-24	31	5.1800%	1,100,000
Debt management Office	Gov	21-Jun-24	20-Sep-24	82	5.1400%	6,000,000
						8,350,000
Category 4 - Registered Providers (Includes Providers of Social Housing)						
None						0
						0
Category 5 - Pooled Funds (Includes AAA rated Money Market Funds)						
INVESCO AIM	AAA	Various	On Demand	O/N	5.220%	680,000
FIDELITY INTERNATIONAL	AAA	Various		O/N	5.180%	1,050,000
						1,730,000
Total						10,480,000.00

At the end of June funds invested were £10.480m. The breakdown is: 17% held in money markets funds, 80% in DMO deposits and 4% in call accounts.

During June the treasury department commenced using Money Market funds, to expand the available options for investments & attract higher interest rates.

Treasury and Prudential Indicators 2024/25 at 30 June 2024

Treasury Management Indicators		Result	RAG	Prudential indicators		Result	RAG
The Authorised Limit <i>The authorised limit represents an upper limit of external borrowing that could be afforded in the short term but may not be sustainable. It is the expected maximum borrowing need with some headroom for unexpected movements. This is a statutory limit under section 3(1) of the Local Government Act 2003.</i>	TEST - Is current external borrowing within the approved limit	YES		Ratio of Financing Costs to Net Revenue Stream <i>This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of revenue budget required to meet financing costs.</i>	TEST - Is the ratio of capital expenditure funded by revenue within planned limits	YES	
The Operational Boundary <i>The operational boundary represents and estimate of the most likely but not worst case scenario it is only a guide and may be breached temporarily due to variations in cash flow.</i>	TEST - Is current external borrowing within the approved limit	YES		Net Borrowing and the Capital Financing Requirement <i>This indicator is to ensure that net borrowing will only be for capital purposes. The Commissioner should ensure that the net external borrowing does not exceed the total CFR requirement from the preceding year plus any additional borrowing for the next 2 years.</i>	TEST - Is net debt less than the capital financing requirement	YES	
Actual External Debt <i>It is unlikely that the Commissioner will actually exercise external borrowing until there is a change in the present structure of investment rates compared to the costs of borrowing.</i>	TEST - Is the external debt within the Authorised limit and operational boundary	YES		Capital Expenditure and Capital financing <i>The original and current forecasts of capital expenditure and the amount of capital expenditure to be funded by prudential borrowing for 2024/25.</i>	TEST - Is the current capital outturn within planned limits	YES	
Gross and Net Debt <i>The purpose of this indicator is to highlight a situation where the Commissioner is planning to borrow in advance of need.</i>	TEST - Is the PFCC planning to borrow in advance of need	NO		Capital Financing Requirement <i>The CFR is a measure of the extent to which the Commissioner needs to borrow to support capital expenditure only. It should be noted that at present all borrowing has been met internally.</i>	TEST - Is the capital financing requirement within planned limits	YES	
Maturity Structure of Borrowing <i>The indicator is designed to exercise control over the Commissioner having large concentrations of fixed rate debt needing to be repaid at any one time.</i>	TEST - Does the PFCC have large amounts of fixed rate debt requiring repayment at any one time	NO					
Upper Limit for total principal sums invested for over 365 Days <i>The purpose of this indicator is to ensure that the Commissioner has protected himself against the risk of loss arising from the need to seek early redemption of principal sums invested.</i>	TEST - Is the value of long term investments within the approved limit	YES					

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that regular reports are presented with regards to treasury management activities. This quarterly report ensures the Police, Fire and Crime Commissioner is implementing best practice in accordance with the Code.

CFRS Risk Register

Risk ID	Date	Status	Risk Owner	Risk Description	Initial Score			Current Score			Direction of travel	Target Score	Mitigation already taken place	Mitigations planned (with timeframe)
					Likelihood	Impact	Risk Score	Likelihood	Impact	Risk Score				
5		Open	Assistant Chief Fire Officer (Service Delivery)	<p>There is a risk that NWFC, do not source a replacement to the CAD and ICCS system in a timely manner, leaving an unsupported system which affects the service ability to meet statutory duties.</p> <ul style="list-style-type: none"> > Delays in implementation. <p>Which may impact on:</p> <ul style="list-style-type: none"> > Unable to provide a safe service > Financial impact > Safety of firefighter and public > Reputation of Service and Fire Authority <p>There is a risk that the ICT SLA doesn't allow the flexibility and agility to respond in line with the other three Services at a speed to ensure that the project remains on track.</p>	5	4	20	5	4	20	→	9	<p>North West Strategic Group now attended by DCFO.</p> <p>CFRS Team meets the Project Team on a weekly basis.</p> <p>Funding agreed.</p> <p>The Service must recognise the significant risk involved in this major ICT project and ensure sufficient resources are allocated to ensure milestones are met.</p>	<p>Additional AM position agreed to lead on NWFC.</p> <p>Resourcing of CAD / ICCS will need to be reviewed.</p>
6		Open	Head of People and Talent	<p>There is a risk that CCFRSA does not meet it legal requirements in terms of pension matters and related judgements caused by the lack of capacity and expertise. This is compounded by insufficient budget to fund required remedies of associated project work costs.</p> <p>Any legal breaches would be reportable to the Pensions Ombudsman leading to reputational damage with scheme members.</p> <p>Some of the work is supported through wider SLA arrangements and there is a risk that the disaggregation of these hosted functions will result in the withdrawal of support to CFRS without sufficient funding or resource to replace this. This will create a significant impact in terms of capacity challenges in CFRS and key gaps in expertise, skills and knowledge.</p>	5	5	25	5	5	25	→	15	<p>Faculty AI to support with processing of data and Sergeant McCloud project.</p> <p>Ongoing management of SLAs.</p> <p>Business case produced for four additional posts - two posts approved and recruited.</p> <p>Attempted recruitment to replace Senior Pensions Advisor.</p>	<p>Ongoing discussions with Northumberland regarding shared role.</p> <p>Looking at further opportunities for AI to support data processing.</p>
10		Open	Transformation Lead	<p>MDT Gateway</p> <p>There is a risk that Cumbria will be without a gateway to provide risk critical mobilisation information to MDTs as Cheshire have given three months notice to the current provider of the shared gateway resulting in the Service not being able to meet its statutory requirements and a risk to safety and firefighters and public.</p>	5	4	20	5	4	20	New	12	<p>Development of requirements document</p> <p>Discussions with Cheshire re joint approach</p>	<p>Meeting arranged with supplier</p> <p>Ongoing discussions with Cheshire re possible joint procurement and sharing of specs</p> <p>Business case/decision paper to be developed</p>
13		Open	Transformation Lead	<p>There is a risk that the Service (through its ICT provider) will experience a significant cyber security incident as a result of:</p> <ul style="list-style-type: none"> > Inadequate technical information security arrangements > Inadequate organisational measures > Failure to adequately maintain appropriate security standards during aggregation/ disaggregation due to the pace of change and the complexity of ICT systems > Failure to adequately prevent spear phishing incidents through lack of awareness of staff on cyber security 	5	5	25	5	5	25	New	20	<p>This risk score and risk reflects the level of risk identified by the ICT provider.</p> <p>Technical measures in place with ICT provider including:</p> <ul style="list-style-type: none"> Routine scanning PSN compliance Additional monitoring and assurance Participation in National Cyber Security initiatives LRF Cyber Security sub-group Technical and change governance arrangements in place <p>Cyber Security Response plans remain in place for legacy councils</p> <p>Information and Cyber Security group established including Fire representation</p> <p>Information and Cyber Security audit conducted by Cumberland Council</p>	<p>Technical and change governance arrangements to be established for CFRS with oversight from new Digital Board</p> <p>Monitoring of information security training completion</p> <p>Continued engagement with provider authority</p> <p>Review of CFRS BC plans and arrangements (BC Working Group has been established)</p>

Risk Tolerance Levels

Risk Score	
1 - 4	Acceptable - No action required but continue monitoring.
5 - 12	Tolerable risk but action is required to avoid a red status. Investigate to verify and understand underlying causes and consider ways to mitigate or avoid within a specified time period.
15 - 25	Unacceptable. Urgent action is required. Investigate and take steps to mitigate or avoid within a specified short term.

Likelihood Criteria

Score	Descriptor	Definition
1	Very unlikely	Event may occur in exceptional circumstances
2	Unlikely	Event could occur at some time
3	Possible	Event should occur at some time
4	Likely	Event will probably occur in some circumstances
5	Very likely	Event will probably occur in most circumstances

Risk Scoring Matrix

Impact Score	Organisational / Service	Operational / Performance	Finance	Reputational	Legal	Health & Safety	Equality, Diversity and Inclusion
5 = Major	Major impact / disruption to critical services. Inability to deliver a number of organisational objectives.	Significant organisational or performance impact. Not achieving more than one of the organisation's performance targets	Fire - over £250k	Sustained national media coverage. External Enquiry. Removal of a command team member.	Prosecution. Major claims / fines against both organisation	Multiple fatalities or multiple permanent injuries.	Unjustified impact or interference.
4 = Serious	Serious impact / disruption on critical services with a noticeable impact on local communities.	Large impact on performance resulting in not achieving one of the organisation's performance targets	Fire - over £100k	Sustained adverse media coverage.	Serious claims / fines against both organisation.	Single fatality or severe injuries.	Serious unjustified impacts or interference.
3 = Moderate	Noticeable impact on non-critical services or short-term disruption.	Impact on performance resulting in difficulty achieving performance targets but where corrective action can still be taken.	Fire - over £50k	Some local adverse publicity	Significant litigation / claims within insurance cover.	Major injury.	Some limited unjustified impact or interference.
2 = Low	Minor disruption to Service Delivery	Small impact on performance targets but can still be managed.	Fire - over £25K	Short-term customer dissatisfaction.	Minor claims within the insurance cover.	Minor or slight injury.	Impact on interference manageable with existing resources.
1 = Negligible	Negligible No noticeable disruption to service. The impact is easily manageable.	Minimal / short-term impact on performance, not to the extent where key targets are impacted.	Fire - below £25k	Manageable customer dissatisfaction.	Unlikely to lead a litigation or a claim.	Unlikely to have any safety impact.	No impact on diversity / human rights.



Joint Audit Committee

Date of meeting: 25th September 2024

Title of Report: Cumbria Fire and Rescue Service – Strategic Risks

Agenda Item No 14

Report by: Paul Hancock –

1. What is the Report About? (Executive Summary)

1.1 The purpose of the report is to provide the Joint Audit Committee with an update on the strategic risks within Cumbria Fire and Rescue Service.

1.2 At the request of the Committee the format of the report has been changed to reflect that presented by the Constabulary.

1.3 All risks are considered on a regular basis through the Service Leadership Meeting, and monthly updates on Strategic and Emerging risks are provided to the Finance and Governance Board.

1.4 This report provides detail on the two strategic risks currently on our register.

Risk 24_05	Pension Remedy	Initially rated as 25
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Risk 24_06	NWFC CAD System	Initially rated as 20
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1.5 The report also provides details on two new risks that have been added since the committee last met. Those are

Risk 24_10	MDT Gateway	Initially rated as 20
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Risk 24_13	Cyber Security	Initially rated as 25
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2. Recommendation

2.1 The Joint Audit Committee is asked to note the current strategic risks and raise any queries they may have.

3. Background to the Proposals

3.1 Risk management in fire and rescue services is a critical component of ensuring the safety of firefighters and the public during emergency situations. The primary

goal of risk management in this context is to identify, assess, and mitigate potential risks to minimize injuries, property damage, and loss of life.

3.2 Key components of the risk management process include

- Risk Assessment
- Risk Mitigation
- Planning and Preparedness
- Safety Measures
- Legal and Regulatory Compliance

3.3 Effective risk management in fire and rescue services is an ongoing process that requires collaboration, training, and a commitment to continuous improvement. By identifying and addressing potential risks proactively, fire and rescue services can enhance their ability to protect the communities they serve.

3.4 Risk Management is considered at different levels within CFRS.

3.5 Operational Risk is considered on a daily basis through a number of different processes including

- National Operational Guidance
- Business Continuity Planning
- Training Risk Profiles
- Health and Safety

3.6 At the other end of the spectrum, emerging risks over a longer period (usually years) are considered through the Community Risk Management Process.

3.7 Within that spectrum, strategic risks are considered at the Strategic Leadership Team meeting and raised at the Strategic Finance and Governance Board. Strategic risks are those affecting the medium to long term objectives of the Service and are the high level critical risks the Service faces.

3.8 The strategic risks identified by CFRS are concerned with:

1. Pensions Remedy
2. Introduction of a new system at North West Fire Control
3. Replacement of the MDT Gateway
4. Cyber Security

3.9 Details of these four risks are shown in Appendix A

4. Risk Tolerance Levels

4.1 Whilst each risk obtains a score of 1- 25, the following table highlights the Service tolerance levels.

Risk Score	
1 - 4	Acceptable – No action required but continue monitoring
5 – 12	Tolerable risk but action is required to avoid a red status. Investigate to verify and understand underlying causes and consider ways to mitigate or avoid within a specified time period
15 – 25	Unacceptable. Urgent action is required. Investigate and take steps to mitigate or avoid within a specified short term.

4.2 The scoring matrix we used is shown at appendix B

5. Financial – What Resources will be needed and how will it be funded?

5.1 Finance is a key consideration within any risk calculation. The Service has put in place a series of regular meetings and process controls with the S151 officer should resource need to be targeted at any particular risk. Risk appetite against Finance is shown below

6. Legal Aspects – What needs to be considered?

6.1 There are a number of key pieces of legislation that place statutory requirements on CFRS. The two most important are

- Fire and Rescue Services Act 2004
- Civil Contingencies Act 2004

6.2 The first sets out the four primary responsibilities of CFRS to

- extinguishing fires in their area
- protecting life and property in the event of fires in their area
- rescuing and protecting people in the event of a road traffic collision, and
- rescuing and protecting people in the event of other emergencies

The second sets out how CFRS should respond to emergencies as a CAT 1 responder.

6.3 Each of these statutory requirements is part of the day to day business of the service and considered when looking at specific risks

7. Health & Safety Implications

7.1 Health and Safety is managed within two pieces of legislation. Those are

- The Health and Safety at Work etc. Act 1974
- Management of Health and Safety at Work Regulations 1999

7.2 The Health and Safety of firefighters is treated with the upmost importance within CFRS. An extensive framework overseen by a dedicated Health and Safety professional exists to ensure it is considered as part of any risk mitigation activity.

8. Fire Authority Priorities

8.1 The priorities of both the Fire Authority (PFCC) and CFRS are driven by the Fire Plan and the Community Risk Management Plan (CRMP). The Fire Plan and CRMP have recently been agreed. When action to address risk is taken, it is in the context of the CRMP and in future the fire plan.

9. What is the Impact of the Decision on Health Inequalities and Equality and Diversity Issues?

9.1 Any impact of an action to address risk, where appropriate would be subject to the internal Equality Impact Assessment Process

Report Author

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