



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Annual Improvement Report 2014-15

Mid and West Wales Fire and Rescue Authority

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This Annual Improvement Report has been prepared on behalf of the Auditor General for Wales by Steve Barry and Ron Price under the direction of Jane Holownia.

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The Auditor General is independent of government, and is appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office Board, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the National Assembly.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils. He also conducts local government value for money studies and assesses compliance with the requirements of the Local Government (Wales) Measure 2009.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Assembly Commission and National Health Service bodies in Wales.

The Auditor General and staff of the Wales Audit Office aim to provide public-focused and proportionate reporting on the stewardship of public resources and in the process provide insight and promote improvement.

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Summary report

Purpose of this report

- 1 Each year, the Auditor General is required to audit the improvement planning and reporting arrangements of Welsh councils, fire and rescue authorities, and national park authorities, and to assess whether each authority will meet statutory continuous improvement duties¹. This work has been undertaken on behalf of the Auditor General by staff of the Wales Audit Office. [Appendix 1](#) provides more information about the Auditor General's powers and duties.
- 2 This Annual Improvement Report (AIR) summarises the audit work undertaken at Mid and West Wales Fire and Rescue Authority (the Authority) since the last such report was published in July 2014.
- 3 Taking into consideration the work carried out during 2014-15, the Auditor General will state in this report whether he believes that the Authority is likely to make arrangements to secure continuous improvement for 2015-16.
- 4 This statement should not be seen as a definitive diagnosis of organisational health or as a prediction of future success. Rather, it should be viewed as providing an opinion on the extent to which the arrangements currently in place are reasonably sound insofar as can be ascertained from the work carried out.
- 5 We want to find out if this report gives you the information you need and whether it is easy to understand. You can let us know your views by e-mailing us at info@audit.wales or writing to us at 24 Cathedral Road, Cardiff, CF11 9LJ.

¹ Duties and requirements contained within the Local Government (Wales) Measure 2009 (the Measure).

Performance audit work in 2014-15

- 6 In determining the breadth of work undertaken during the year, we considered the extent of accumulated audit and inspection knowledge as well as other available sources of information including the Authority's own mechanisms for review and evaluation. For 2014-15, we undertook improvement assessment work under the following themes: use of resources; governance; and performance.
- 7 The work carried out since the last AIR is set out below:

Project name	Brief description	Dates [when the work was carried out]
Annual 'Improvement Plan' Audit	Review of the Authority's published plans for delivering on improvement objectives.	June 2014
Financial Planning Assessment	Review of the Authority's financial position and how it is budgeting and delivering on required savings.	November 2014
Annual 'Assessment of Performance' Audit	Review of the Authority's published performance assessment, including testing and validation of performance information.	November 2014
Data Quality Review	Assessment of the reliability of information and the effectiveness of its use in managing performance.	November 2014
Delivering with Less – workforce re-configuration	Assessment of how the Authority is managing the delivery of services in the context of reduced resources.	March 2015

- 8 Based on, and limited to, the work carried out by the Wales Audit Office and relevant regulators, the Auditor General believes that the Authority is likely to comply with the requirements of the Measure during 2015-16.

Headlines – a summary of key findings

- 9 The table below summarises the key findings of reports issued since the last AIR by the Wales Audit Office and the outcome of the review of the Welsh Language Scheme by the Welsh Language Commissioner.

Audit of accounts	We issued an unqualified audit opinion on the accounting statements and the Pension Fund's financial position and transactions on 29 September 2014. This means the Authority complied with its responsibilities relating to financial reporting and use of resources and the accounts present a true and fair view of the Authority's financial position.
Improvement planning and reporting audits	We issued audit certificates stating that the Authority had discharged its duties under the Measure (see Appendices 2 and 3).
Financial planning assessment	The Authority has effective financial management arrangements.
Use of Resources	Efficiency savings have been achieved by reconfiguration of the workforce, whilst there has been clear leadership and direction, limitations in available documentation have weakened the ability of the Authority to evaluate and use lessons for the future.
Reliability and use of Performance information	Well-embedded systems produce accurate management information that is used to support improvement planning although some gaps exist in equality information.
Welsh Language Commissioner – Review of Welsh Language Scheme	The Authority is working positively on its Welsh Language Scheme to improve its Welsh language service.

- 10 Given the wide range of services provided by the Authority and the challenges it is facing, it would be unusual if we did not find things that can be improved. The Auditor General is able to:
- a make proposals for improvement – if proposals are made to the Authority we would expect it to do something about them and we will follow up what happens;
 - b make formal recommendations for improvement – if a formal recommendation is made, the Authority must prepare a response to that recommendation within 30 working days;
 - c conduct a special inspection and publish a report and make recommendations; and
 - d recommend to Ministers of the Welsh Government that they intervene in some way.
- 11 During the course of the year, the Auditor General did not make any formal recommendations. However, lower-priority issues, known as proposals for improvement, are contained in our other reports and are referred to in the table below. We will continue to monitor proposals for improvement during the course of our improvement assessment work.

Proposals for Improvement

Proposals for improvement	
P1	<p>Develop current arrangements by:</p> <ul style="list-style-type: none"> • putting in place a formal Medium Term Financial Plan aligned with delivery of the Strategic Plan 2015-2020; • establishing a clear policy around charging for services and income generation; • establishing clearer links between improvement objectives and financial plans; and • agreeing on a policy on the expected level of reserves.
P2	<p>Adopt and implement project management principles that enable the Authority to demonstrate:</p> <ul style="list-style-type: none"> • pre-implementation assessment of intended benefits; • effective risk management pre-implementation and during implementation; and • post-implementation evaluation of outcomes against planned benefits.

Detailed report

The Authority manages its finances well, has implemented changes that have improved its use of resources and has adequate arrangements to address future challenges



- 12 The Mid and West Wales Fire and Rescue Authority (the Authority) comprises 25 members representing the Councils covering the area. Carmarthenshire (five members), Ceredigion (two members), Neath Port Talbot (four members), Pembrokeshire (three members), Powys (four members) and Swansea (seven members). The number of representatives from each constituent Council is determined by the population of that area.
- 13 The Authority serves 893,949 people (census 2011) over a geographical area of 4,500 square miles. The service is delivered via 58 stations and employing 1,200 staff. In March 2014 the Authority appointed a new Chief Fire Officer and began a process of re-structuring its management team with the new team being in post by May 2015.
- 14 In recent years the Authority has been responding to the financial challenges faced by public sector services whilst ensuring compliance with its statutory responsibilities. Later in this report we identify some of the ways in which this has been done. The Authority has also published its Corporate Plan 2015-20 setting out its objectives for the next five years, this together with its plans for driving future efficiencies and information about performance is available on [its website](#).

Exhibit 1: Actual revenue expenditure 2011-12 to 2013-14

	2011-12	2012-13	2013-14
Revenue out-turn (£,000)	45,139	44,003	45,187*
Per head population	£51	£49	£50

*Includes £169,296 one-off costs associated with industrial action

Source: Welsh Government Statistics Wales

- 15 Whilst the figures in the Exhibit suggest an increase in expenditure between 2011-12 and 2013-14 when account is taken of inflationary pressures, in real terms expenditure reduced overall by £1,654,000². Staff costs shown in the Authority's statements of accounts for 2011-12, 2012-13 and 2013-14 have reduced by £881,000 in real terms over the period. Applying the same 'real terms' analysis to the expenditure per head of population, the reduction from £51 per head of population in 2011-12 to £50 per head of population in 2013-14 actually represents a £3 reduction per head of population in real terms over the period.
- 16 The Authority has set a revenue budget of £43,522,194 for 2014-15.

2 As measured by the Treasury Gross Domestic Product deflators published April 2015.

The Authority has effective financial management arrangements

The Authority complied with its responsibilities relating to financial reporting

- 17 On 5 January, the Auditor General issued an Annual Audit Letter to the Authority. The letter summarises the key messages arising from his statutory responsibilities under the Public Audit (Wales) Act 2004 as the Appointed Auditor and his reporting responsibilities under the Code of Audit Practice. The Auditor General issued an unqualified opinion on the Authority's accounting statements confirming that they present a true and fair view of the Authority's and the Pension Fund's financial position and transactions. The Annual Audit Letter can be found in [Appendix 4](#) of this report.

The Authority has a good track record of effective budgetary control and managing within its financial constraints

- 18 Between 2011-12 and 2013-14, the Authority operated effective budgetary control, with timely assessments of the options that the Authority could implement to maintain a balanced budget. Budgetary control arrangements are supported by detailed guidance and monitoring arrangements at officer, member and executive level. Financial forecasting is well developed and accurate, and is subject to detailed and effective scrutiny and challenge at Authority meetings.
- 19 A willingness to consider radical change in service provision has been demonstrated by the Authority. It has successfully implemented changes to crewing arrangements, provided rural response appliances (smaller, lighter vehicles to enable crews to access remote rural locations), and made smaller scale savings in areas such as senior management costs, car leasing, and casual overtime. As the largest element of cost within the Authority relates to employees, this is the area where savings have been most realised. For example, changes to crewing arrangements at Pontardawe have resulted in a reduction in employee costs of £400,000 per annum since 2012. The process for implementing changes to crewing has been challenging for the Authority.
- 20 In the period covered by this report the Authority has set a balanced budget with few variations in any of the budget headings. The greatest element of cost relates to employee costs, and prudent budgeting around this area has given the Authority scope to make underspends against original budget figures. Low levels of pay increases, agreed through national negotiation, have also enabled the Authority to plan and agree budgets effectively.
- 21 Since mid-2013 the Authority has faced challenges in a national dispute, primarily relating to the Government's proposed changes to pension arrangements for fire fighters. This has required the Authority to put in place arrangements to maintain services during these periods of industrial action, which has placed an additional burden on the Authority, both financially and operationally. Whilst the impact of industrial action has been less in this Authority than in others due to the high percentage of Retained Duty System (RDS) staff that the Authority employs, the Authority has managed this challenge effectively. The ongoing dispute remains a challenge.

The Authority's plans and arrangements to deliver 2014-15 savings are fit for purpose, are effectively managed and are likely to be achieved

- 22 Experienced and effective finance and budget managers are in place. Internal timekeeping around the presentation of financial information is well handled and works well throughout the Authority. The Authority has taken account of the financial challenges and made reasonable assumptions in setting its budget for 2014-15, supported with sound data and information.
- 23 The Authority has an effective corporate framework for financial planning and exercises clear financial management and control. Through its Performance, Audit and Scrutiny Committee (PASC) and Full Authority it demonstrates a good level of scrutiny, debate and challenge on financial issues. Early consideration of spending options has taken place with effective dialogue between the Authority and its constituent local authorities. This has enabled the Authority to set a realistic and achievable budget for 2014-15, although the medium-term outlook remains challenging.

Whilst supporting information is available the Authority has not formally adopted a medium-term financial plan to support strategic decision making

- 24 The Strategic Plan 2015-2020 sets out a clear vision and aim for the service and is supported by coherent and clear improvement objectives. The Authority has improved its improvement planning and made better links between improvement and business plans over the last two years. There is, as yet, no medium-term financial plan connected with the delivery of the Strategic Plan. Since 2012-13 the senior management team has been using a three-year planning process to identify potential savings opportunities that, if proposed for implementation, are referred to the Authority. Much of the information required to support the development of a medium-term financial plan is in place. The management team is beginning the update of the current plan to cover the three-year period commencing 2015-16.
- 25 The Authority has limited but generally effective capacity within its finance function. Whilst delivering effective budgetary and financial control there are some areas where having clearer documented plans and strategy would benefit longer-term planning by the Authority. The formal adoption by the Authority of an MTFP including a sensitivity analysis and supporting data would provide the Authority with a clear framework for strategic decision making.
- 26 The Authority is appraised of levels of reserves and the provision made against earmarked reserves. It has, in the past, made decisions in respect of the use of its levy equalisation reserve but does not have a formal policy on reserves generally, or any set level of minimum reserve. The Authority has a satisfactory financial position currently, so setting out how reserves should be considered in the future would be a beneficial and supportive move.
- 27 The Authority does not have a clear policy around charging and income generation. Whilst there are few opportunities to charge for services which are largely statutory, greater clarity on this matter would assist the service to clearly understand costs and benefits for undertaking all areas of service operation.

Efficiency savings have been achieved by reconfiguration of the workforce and whilst there has been clear leadership and direction, limitations in available documentation have weakened the ability of the Authority to evaluate and use lessons for the future

The Authority has made efficiency savings through workforce changes over the past three years and has identified further possibilities of achieving savings through workforce reconfiguration

- 28 As reported in our financial planning assessment of December 2014, the Authority has been successful in setting, agreeing and maintaining accurate out-turns in its financial budgetary management for the last few years. It has been able to do this through efficiency savings and employee cost savings. This has not been at the expense of meeting its statutory responsibilities. The Authority has maintained an effective service to the communities in mid and west Wales throughout this period with an increased emphasis on prevention work. Since 1996, the workforce has reduced from 510 full-time employees to 380 full-time employees.
- 29 As is the case with other fire authorities in Wales, the largest proportion of expenditure relates to employee pay. The service has a mix of whole-time duty, and retained (part-time on-call) staff to deliver its operational response services. Staff costs shown in the Authority's statements of accounts for 2011-12, 2012-13 and 2013-14 have reduced by £881,000 in real terms since 2011-12. The most significant reductions have been in the cost of whole-time staff. However, senior officers had assessed that latent capacity was still present in existing crewing arrangements with a possibility for further savings to be made.
- 30 The background to the introduction of the three-watch system is complex and developed following the experience of implementing previous crewing changes. The Authority first began discussions with the Fire Brigades Union (FBU) about options for crewing the five whole-time shift duty stations in the Swansea and Neath Port Talbot Command areas in November 2012. The discussion centred on retaining the principles contained in the National Joint Council scheme of conditions of service. Following extensive discussions over a two-year period the proposals to implement the three-watch system were agreed with the FBU on 14 March 2014 to take effect from 1 April 2014. The agreement covers the five whole-time stations of Swansea West, Swansea Central, Morriston, Port Talbot, and Neath. The desire to move quickly into implementation being influenced by the time taken to reach agreement.
- 31 The agreement with the FBU (the agreement) does not affect day crew, self-rostered crewing or on-call duty personnel, and indicates that the changes associated with the agreement will be introduced incrementally at the affected stations. Although the intention is to roll out the system to all five stations, Port Talbot and Swansea West have been the first stations where this system has been implemented.

Implementation arrangements were over-reliant on informal discussion rather than the application of formal project management principles

- 32 For this review we sought evidence that the change process had been managed using formal, documented project management principles. The advantage of adopting such an approach is that it enables the Authority to demonstrate that risks have been managed effectively, that lessons to be learned can be captured and built into future planning and that the results of implementation can be evaluated against original intentions.
- 33 The new three-watch system came into effect on 1 June 2014 at Port Talbot and was implemented at Swansea West on 1 January 2015. The three-watch duty stations operate a duty system where shifts will comprise 24 hours on duty, 24 hours off duty, 24 hours on duty, 24 hours off duty, 24 hours on duty followed by four days off. The shift pattern will run over a nine-day cycle and the basic weekly working hours are 42 hours.
- 34 For the purposes of implementing the three-watch shift duty system, the FBU agreed to vary the reference period from 17 weeks to 52 weeks. This was achieved by entering into a collective agreement under Regulation 23 (b) of the Working Time Regulations 1998 to modify the application of Regulation 4 (3) and 4 (4) to allow personnel to work an extra six hours per week, taking the total to 48 hours. Whilst the basic working week remains at 42 hours, it was agreed that those individuals working the three-watch duty system will work 48 hours per week, all of which is pensionable.
- 35 There was a lack of a clear project implementation plan from the beginning of negotiations on the possible change to the three-watch system. Although minutes have been produced of meetings with FBU representatives where the possible changes to shift patterns were discussed, no overarching implementation or project plan was produced. The negotiations with the FBU therefore became the focus of attention rather than the development of a coherent plan moving forward built on a sound business case, and considering a full range of costed options.
- 36 The desire to implement a new way of working and successfully negotiate this with the union appears to have caused the Authority to overlook ensuring that pre and post-implementation plans were in place with key milestones, risk analysis and equality impact assessments. At operational level project management and operational evaluation arrangements were introduced during the implementation stage for Swansea West: these had regard to the experience of changes at Port Talbot.
- 37 The principles of the change to crewing contained within the agreement, and the subsequent implementation of the three-watch system at Port Talbot and Swansea West, represent a significant alteration to the way in which staff employed in the Authority's largest conurbation work.

- 38 The pace of implementation meant that changes necessary to the physical structure of Port Talbot Fire Station were rushed. The new watch system was put in place prior to completion of required changes to sleeping accommodation. The changes to accommodation were finally completed in October 2014, five months after staff had begun to work the new shift pattern.
- 39 There was a limited amount of consultation with individual staff affected by the changes. The Authority carried out the majority of the negotiations with staff through its dialogue with the FBU. Staff were informed of the changes proposed rather than being consulted about the fine detail of the changes to crewing at the affected stations. As no equality impact assessment was produced at the time, any perceived impact to staff in relation to equalities could not have been shared with affected staff. This weakened the quality of implementation of the new shift patterns.

Clear leadership and direction have been provided to implement change in negotiation with workforce representatives, but no arrangements were in place for the Authority to review the impact of change

- 40 This review found that reporting arrangements were over-reliant on informal mechanisms. We were advised that senior officers explained the rationale for the changes to Authority members outside of formal meetings. This would leave subsequent scrutiny of the changes difficult to undertake and does not ensure an adequate audit trail of decision making. The management at the time took the view that this was expedient in getting the proposed changes agreed with the union.
- 41 The Authority has not carried out a full analysis of the risks that a change to shift patterns would produce. Senior staff told us that there was no additional risk inherent in the changes; however, operational staff said that there was an additional risk: due to the increased prevalence of appliances riding with four personnel, which was happening more frequently under the new crewing regime. In this regard, the service could have made use of tried and tested systems to analyse risk in the changes – for example, the National Fire Service Emergency Cover toolkit. The toolkit enables fire and rescue services to assess the risks from fire and other incidents and to allocate responses appropriate to that risk and predict the effectiveness of risk reduction strategies employed.
- 42 No equality impact assessment was completed prior to the changes being implemented. At the end of January 2015, we were advised that such an assessment was being carried out.
- 43 A structured debrief was held for staff affected by the changes on 24 September 2014. However, in the absence of any formal reporting, it is not clear what issues were raised or how the service would respond to developing matters.

- 44 There is a lack of formal reporting to the Authority. The change to a three-watch system is an operational matter which is appropriately delegated to the Chief Fire Officer, and therefore there would be no formal requirement to seek approval from the Authority or its various committees. However, other elements of the project, including the potential cost savings and impact on staff affected would suggest that this would be a relevant matter for the full Authority or the Authority's Performance Audit and Scrutiny Committee. We have been informed that no formal reporting to the Authority has taken place. Initial proposals were made to the full Authority meeting on 16 December 2013 by union representatives but no subsequent reporting occurred.
- 45 We were told during interviews that there was a potential efficiency saving to be made by the implementation of the three-watch system. This was given as being a saving of up to 35 full-time employees if the system was rolled out to all five stations in the Swansea and Neath Port Talbot area. As this is a very significant potential saving, with a reduction of almost 10 per cent of the workforce, we would have expected a cost benefit analysis report or similar explaining the realisation of planned savings to have been laid before the Authority's Performance, Audit and Scrutiny Committee.

Well-embedded systems produce accurate management information that is used to support improvement planning although some gaps exist in equality information

- 46 We carried out a review of a sample of performance measures and operational data systems. The purpose of the review was to:
- a test systems and arrangements that support the production of performance management information, including national strategic, core and local performance indicators that are used to support improvement reporting and planning;
 - b verify and confirm the accuracy of submissions made to the Welsh Government in respect of National Strategic and Core Indicators and associated data returns; and
 - c review how the Authority identifies trends and changes in performance to inform improvement planning and reporting.
- 47 Testing confirmed that accurate and timely information is produced in well-embedded systems that are working well. Although there is no formal written timetable for completion of the annual National Strategic and Core indicators we found that staff were clear about the timing of the submission and were clear about roles and responsibilities. Activities are co-ordinated effectively by the Strategic Performance and Planning unit (SP and P).
- 48 Key milestones are monitored by SP and P staff to ensure they are met, including analysis of cross-border incident information and coroner findings regarding fire-related death figures.

Some gaps existed in equality information

- 49 There is limited information on equality and diversity covering all of the protected characteristics as set out in the Equality Act 2010. Some information is available and collected in relation to incident data, and information relating to staff is maintained by HR. However, in neither area is this data fully comprehensive.
- 50 National strategic and core indicators for 2013-14 are correctly stated. To arrive at our conclusions we tested:
- a Eleven National strategic indicators, of which 11 were found to be correct.
 - b Fifteen core data and/or local indicators and found that 15 were correct.
 - c Reviewed processes for producing associated data returns for HR, workforce and non-domestic property database information. The Authority has some challenges in correctly stating the number of properties within mid and west Wales and is working to refine the database.
- 51 The Authority used existing guidance from the various fire circulars in an accurate way. Performance information is produced in an efficient way. There are some manual processes, but these are generally supported by effective systems. Well-established arrangements are in place to produce accurate statistics for submission to the Welsh Government (Stats Wales).

- 52 Both SP and P and departmental staff are clear about their areas of responsibility, and who is responsible for the various elements of data. No major adverse findings were raised with the final submission of data. Trends are being identified during the year, and staff demonstrate an awareness of ongoing performance management findings.

Data is used well to inform improvement planning and support performance reporting

- 53 The Authority uses a balanced range of management information to identify improvement areas and monitor its performance across a full range of its activities. Performance information is used to support judgements, strategies and business planning with regular reporting to the Fire Authority.

Although some improvements could be identified in 2012-13 the Welsh Language Commissioner considered development to have stalled during 2013-14

- 54 The role of the Welsh Language Commissioner (the Commissioner) was created by the Welsh Language (Wales) Measure 2011. New powers to impose standards on organisations came into force through subordinate legislation on 31 March 2015. The Commissioner will continue to review Welsh-language schemes by virtue of powers inherited under the Welsh Language Act 1993.
- 55 The Commissioner works with all authorities in Wales to inspect and advise on the implementation of language schemes. It is the responsibility of authorities to provide services to the public in Welsh in accordance with the commitments in their language schemes. Every authority is committed to providing an annual monitoring report to the Commissioner outlining its performance in implementing the language scheme. The Commissioner analyses every monitoring report, provides a formal response and collects further information as required.
- 56 There has been an increase in the number of Welsh-medium fire safety checks since 2012-2013. The Service analysed the gaps in Welsh language provision with the intention of identifying priorities for improvement following a consultation on the new standards in 2014. The Service has introduced an e-learning database, including Welsh courses at various levels. On the whole, there was a lack of development during 2013-14 due to a shortage of staff. The Service is committed to developing its provision further during the next year.

Appendix 1 – Status of this report

The Local Government (Wales) Measure 2009 (the Measure) requires the Auditor General to undertake an annual improvement assessment, and to publish an annual improvement report, for each improvement authority in Wales. This requirement covers local councils, national parks, and fire and rescue authorities.

This report has been produced by staff of the Wales Audit Office on behalf of the Auditor General to discharge his duties under section 24 of the Measure. The report also discharges his duties under section 19 to issue a report certifying that he has carried out an improvement assessment under section 18 and stating whether, as a result of his improvement plan audit under section 17, he believes that the authority has discharged its improvement planning duties under section 15.

Improvement authorities are under a general duty to ‘make arrangements to secure continuous improvement in the exercise of [their] functions’. Improvement authorities are defined as local councils, national parks, and fire and rescue authorities.

The annual improvement assessment is the main piece of work that enables the Auditor General to fulfil his duties. The improvement assessment is a forward-looking assessment of an authority’s likelihood to comply with its duty to make arrangements to secure continuous improvement. It also includes a retrospective assessment of whether an authority has achieved its planned improvements in order to inform a view as to the authority’s track record of improvement. The Auditor General will summarise his audit and assessment work in a published annual improvement report for each authority (under section 24).

The Auditor General may also, in some circumstances, carry out special inspections (under section 21), which will be reported to the authority and Ministers, and which he may publish (under section 22). An important ancillary activity for the Auditor General is the co-ordination of assessment and regulatory work (required by section 23), which takes into consideration the overall programme of work of all relevant regulators at an improvement authority. The Auditor General may also take account of information shared by relevant regulators (under section 33) in his assessments.

Appendix 2 – Audit of Mid and West Wales Fire and Rescue Authority’s 2014-15 Improvement Plan

Certificate

I certify that I have audited Mid and West Wales Fire and Rescue Authority’s Improvement Plan in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

As a result of my audit, I believe that the Authority has discharged its duties under section 15(6) to (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

Respective responsibilities of the Authority and the Auditor General

Under the Measure, the Authority is required to prepare and publish an Improvement Plan describing its plans to discharge its duties to:

- make arrangements to secure continuous improvement in the exercise of its functions;
- make arrangements to secure achievement of its improvement objectives; and
- make arrangements to exercise its functions so that any performance standard specified by Welsh Ministers is met.

The Measure requires the Authority to publish its Improvement Plan as soon as is reasonably practicable after the start of the financial year to which it relates, or after such other date as Welsh Ministers may specify by order.

The Authority is responsible for preparing the Improvement Plan and for the information set out within it. The Measure requires that the Authority has regard to guidance issued by Welsh Ministers in preparing and publishing its plan.

As the Authority’s auditor, I am required under sections 17 and 19 of the Measure to carry out an audit of the Improvement Plan, to certify that I have done so, and to report whether I believe that the Authority has discharged its duties to prepare and publish an Improvement Plan in accordance with statutory requirements set out in section 15 and statutory guidance.

Scope of the Improvement Plan audit

For the purposes of my audit work I will accept that, provided an authority meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit I am not required to form a view on the completeness or accuracy of information, or whether the Improvement Plan published by the Authority can be achieved. Other assessment work that I will undertake under section 18 of the Measure will examine these issues. My audit of the Authority's Improvement Plan, therefore, comprised a review of the plan to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the plan complied with the requirements of the legislation, and that the Authority had regard to statutory guidance in preparing and publishing its plan.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.

Huw Vaughan Thomas
Auditor General for Wales

CC: Lesley Griffiths, Minister for Local Government and Government Business
Lisa Williams, Performance Audit Lead

Appendix 3 – Audit of Mid and West Wales Fire and Rescue Authority’s assessment of 2013-14 performance

Certificate

I certify that I have audited Mid and West Wales Fire and Rescue Authority’s (the Authority) assessment of its performance in 2013-14 in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

As a result of my audit, I believe that the Authority has discharged its duties under sections 15(2), (3), (8) and (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

Respective responsibilities of the Authority and the Auditor General

Under the Measure, the Authority is required to annually publish an assessment which describes its performance:

- in discharging its duty to make arrangements to secure continuous improvement in the exercise of its functions;
- in meeting the improvement objectives it has set itself;
- by reference to performance indicators specified by Welsh Ministers, and self-imposed performance indicators; and
- in meeting any performance standards specified by Welsh Ministers, and self-imposed performance standards.

The Measure requires the Authority to publish its assessment before 31 October in the financial year following that to which the information relates, or by any other such date as Welsh Ministers may specify by order.

The Measure requires that the Authority has regard to guidance issued by Welsh Ministers in publishing its assessment.

As the Authority’s auditor, I am required under sections 17 and 19 of the Measure to carry out an audit to determine whether the Authority has discharged its duty to publish an assessment of performance, to certify that I have done so, and to report whether I believe that the Authority has discharged its duties in accordance with statutory requirements set out in section 15 and statutory guidance.

Scope of the audit

For the purposes of my audit work I will accept that, provided an authority meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit I am not required to form a view on the completeness or accuracy of information. Other assessment work that I will undertake under section 18 of the Measure may examine these issues. My audit of the Authority's assessment of performance, therefore, comprised a review of the Authority's publication to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the assessment complied with the requirements of the legislation, and that the Authority had regard to statutory guidance in preparing and publishing it.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.

Huw Vaughan Thomas
Auditor General For Wales

CC: Leighton Andrews, Minister for Public Services
Steve Barry, Manager

Appendix 4 – Annual Audit Letter

Chris Davies
Chief Fire Officer
Mid and West Wales Fire and Rescue Service Headquarters
Lime Grove Avenue
Carmarthen
SA31 1SP

Dear Chris

Annual Audit Letter – Mid and West Wales Fire Authority 2013-14

This letter summarises the key messages arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 as the Appointed Auditor and my reporting responsibilities under the Code of Audit Practice.

The Authority complied with its responsibilities relating to financial reporting and use of resources

It is the Authority's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

Local authorities in Wales prepare their accounting statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This code is based on International Financial Reporting Standards. On 29 September 2014, I issued an unqualified audit opinion on the accounting statements confirming that they present a true and fair view of the Authority's and the Pension Fund's financial position and transactions. My report is contained within the Statement of Accounts. The key matters arising from the accounts audit were reported to members of the Audit Committee in my Audit of Financial Statements report on 29 September 2014, and a more detailed report will follow in due course.

I am satisfied that the Authority has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

My consideration of the Authority's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed as part of the Improvement Assessment under the Local Government (Wales) Measure 2009. The Auditor General will highlight areas where the effectiveness of these arrangements has yet to be demonstrated or where improvements could be made when he publishes his Annual Improvement Report.

I issued a certificate confirming that the audit of the accounts has been completed on 29 September 2014.

The financial audit fee for 2013-14 is currently expected to be in line with the agreed fee set out in the Annual Audit Outline.

Yours sincerely

Anthony Barrett, Appointed Auditor

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