



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Annual Improvement Report 2015-16

North Wales Fire and Rescue Authority

Issued: September 2016

Document reference: 564A2016



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

Huw Vaughan Thomas
Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

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.

Contents

Summary report

About this report	4
2015-16 performance audit work	4
The Authority has arrangements in place that are likely to enable it to secure continuous improvement for 2016-17	5
Recommendations and proposals for improvement	6

Detailed report

Performance	8
Use of resources	10

Appendices

Appendix 1 – Status of this report	11
Appendix 2 – Annual Audit Letter	12
Appendix 3 – Certificates of compliance	14

Summary report

About this report

- 1 This Annual Improvement Report summarises the audit work undertaken at North Wales Fire and Rescue Authority (the Authority) since the last such report was published in August 2015. The conclusions in this report are based on the work carried out at the Authority and, unless stated otherwise, reflect the situation at the point in time that such work was concluded.
- 2 Taking into consideration the work carried out during 2015-16, the Auditor General will state in this report whether he believes that the the Authority is likely to make arrangements to secure continuous improvement for 2016-17.
- 3 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.
- 4 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.

2015-16 performance audit work

- 5 The work carried out since our last report is set out below:

Project name	Brief description
Wales Audit Office Annual 'Improvement Plan' Audit	Review of the Authority's published plans for delivering its improvement objectives.
Wales Audit Office Annual 'Assessment of Performance' Audit	Review of the Authority's published performance assessment.
Wales Audit Office Review of Fire Safety arrangements	Review of the arrangements for evaluating the impact of community and business fire safety activity. The review found that the Authority plans and delivers a range of appropriate activities that improve fire safety and has arrangements for evaluating the impact of campaigns, but, in common with others, lacks a framework for fully evaluating the efficiency and effectiveness of these activities. The detailed report contained two proposals for improvement for implementation at national level
Wales Audit Office Financial Resilience Assessment	Review of the Authority's financial position and how it is budgeting and delivering on required savings. The review found that the Authority's arrangements for achieving financial resilience were sound.

The Authority has arrangements in place that are likely to enable it to secure continuous improvement for 2016-17

- 6 The Auditor General has reached this conclusion because:
- a The Authority has arrangements in place to ensure it meets its obligation to set improvement objectives and publish an evaluation of its performance.
 - b The Authority plans and delivers a range of appropriate activities that improve fire safety and has arrangements for evaluating the impact of campaigns, but, in common with others, lacks a framework for fully evaluating the efficiency and effectiveness of these activities:
 - The Authority has clear plans for domestic premises' fire safety activity but plans for business premises are less clear.
 - The Authority is supporting community fire safety through extensive fire safety and prevention activities.
 - There is no consistent approach to evaluating the effectiveness of fire safety work in Wales. Current local reporting arrangements describe the volume of activity and some local effectiveness but provide only a partial picture of performance.
 - c The Authority's arrangements for achieving financial resilience are sound.
 - The Authority has reduced expenditure by eight per cent compared to 2011-12 and levels of reserves are increasing.
 - Financial planning is supported by a budget strategy together with an understanding of key risks and challenges.
 - Financial control is supported by effective budget monitoring and forecasting and the Authority has a good track record of managing budgets.
 - Financial governance is effective and supported by clear challenge from Authority members, accurate reporting and commitment at a senior level.

Recommendations and proposals for improvement

- 7 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.
- 8 During the course of the year, the Auditor General did not make any formal recommendations. However, lower-priority matters, known as proposals for improvement, are contained in our other reports and are set out in the table below.

Proposals for improvement – Fire safety arrangements

Proposals for improvement – Fire safety arrangements

P1

At national level develop and agree principles on how to evaluate the success and outcomes of current interventions, events and prevention work that has regard to:

- Relevance – the extent to which interventions produce meaningful outcomes.
- Capacity and capability – the effective use of resources.
- Efficiency – a measure of how resources and inputs are converted into results and outcomes.
- Effectiveness – the extent to which interventions were achieved or are expected to be achieved taking into account their relative importance.
- Sustainability – continuation of benefits after initial inputs have been completed. The probability of long-term benefits.
- Value for money – how does one input cost get balanced with other initiatives.
- Equalities issues.

P2

At national level, establish arrangements with the Welsh Ambulance Services NHS Trust (WAST) and relevant health boards to identify the extent of unreported injuries resulting from fires to enable identification of potentially vulnerable people or higher risk premises.

Detailed report



Performance

The Authority has arrangements in place to ensure it meets its obligation to set improvement objectives and publish an evaluation of its performance

Audit of the Authority's 2015-16 and 2016-17 Improvement Plans

- 9 In May 2015 and July 2016 we issued certificates confirming that the Authority had discharged its duties under section 15(6) to (9) of the Local Government Measure and had acted in accordance with Welsh Government guidance sufficiently to discharge its duties. The certificates are contained in [Appendix 3](#).

Review of the Authority's assessment of its 2014-15 performance

- 10 In November 2015, we issued a certificate confirming that the Authority had discharged its duties under sections 15(2), (3), (8) and (9) of the Measure. Our certificate is contained in [Appendix 3](#).

The Authority plans and delivers a range of appropriate activities that improve fire safety and has arrangements for evaluating the impact of campaigns, but, in common with others, lacks a framework for fully evaluating the efficiency and effectiveness of these activities

- 11 Promoting fire safety¹ is a core statutory function for Fire and Rescue Authorities (FRAs) in Wales. The FRAs have clearly defined roles in relation to fire-safety enforcement as set out in the Regulatory Reform (Fire Safety) Order 2005. During the year we reviewed arrangements at all three FRAs in Wales to assess the way in which activity was planned; how it was being delivered and, whether the efficiency and effectiveness of activity could be evaluated.
- 12 We found that the Authority planned and delivered a range of appropriate activities that improve fire safety and has arrangements for evaluating the impact of campaigns, but, in common with others, lacks a framework for fully evaluating the efficiency and effectiveness of these activities.
- 13 The Authority has clear plans for domestic premises fire safety activity but plans for business premises are less clear:
- a the Authority's delivery of community fire safety activity is based upon clear plans that reflect local needs and national expectations;
 - b in contrast with arrangements for community fire safety activity, plans and priorities for business fire safety are less well documented; and
 - c there is variation in the resource made available for fire safety activity by individual FRAs and government grant funding is reducing.

¹ In this report the terms 'community fire safety' (covering domestic premises and community initiatives) and 'business fire safety' are used to describe particular areas of focus.

- 14 The Authority is supporting community fire safety through extensive fire safety and prevention activities:
- a the Authority is successfully using a variety of intervention and prevention activities to support community fire safety; and
 - b whilst the number of known non-domestic premises has increased, the Authority has sustained the proportion subject to checking.
- 15 There is no consistent approach to evaluating the effectiveness of fire safety work in Wales. Current local reporting arrangements describe the volume of activity and some local effectiveness, but provide only a partial picture of performance:
- a fire and rescue authorities deliver fire safety activity with a common purpose and although activity is monitored there is no common approach to evaluating the efficiency of delivery;
 - b home fire safety checks are used extensively to address and mitigate domestic fire safety risks but evaluation criteria are limited; and
 - c co-ordinated use of equality and diversity information is not being used to shape fire safety activities and lack of data sharing among partners is a barrier at operational levels.

Welsh Language Commissioner's review of the Authority's Welsh language scheme

- 16 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.
- 17 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.
- 18 Inspection reports and letters issued to the Authority during the year by the Commissioner are available on the Commissioner's [website](#).

Use of resources

Audit of the Authority's accounts

- 19 On 26 November 2015, 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 financial position and transactions. The Annual Audit Letter can be found in [Appendix 2](#) of this report.

The Authority's arrangements for achieving financial resilience are sound

- 20 Financial resilience is achieved when an authority has robust systems and processes to effectively manage its financial risks and opportunities, and to secure a stable financial position. We considered whether the Authority had appropriate arrangements to plan to secure and maintain its financial resilience in the medium term (typically three to five years ahead). While there may be more certainty for the Authority over an annual cycle, financial pressures impact beyond the current settlement period. We have considered evidence of the Authority's approach to managing its finances in the recent past and over the medium term when reaching our view on the Authority's financial resilience.
- 21 Our detailed report contained no proposals for improvement and was noted by the Executive Panel on 9 May 2016. We found that the Authority's arrangements for achieving financial resilience are sound because:
- a the Authority has reduced expenditure by eight per cent compared to 2011-12 and levels of reserves are increasing;
 - b financial planning is supported by a budget strategy together with an understanding of key risks and challenges;
 - c financial control is supported by effective budget monitoring and forecasting and the Authority has a good track record of managing budgets; and
 - d financial governance is effective and supported by clear challenge from Authority members, accurate reporting and commitment at a senior level.

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 – Annual Audit Letter

Meirick Lloyd Davies
North Wales Fire and Rescue Service
Ffordd Salesbury
St Asaph Business Park
St Asaph
Denbighshire
LL17 0JJ

Dear Mr Lloyd Davies,

Annual Audit Letter – North Wales Fire and Rescue Service 2014-15

This letter summarises the key messages arising from the Auditor General for Wales' statutory responsibilities under the Public Audit (Wales) Act 2004 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 30 September 2015, 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 30 September 2015, 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. My Annual Improvement Report will highlight areas where the effectiveness of these arrangements has yet to be demonstrated or where improvements could be made.

I issued a certificate confirming that the audit of the accounts has been completed on 30 September 2015

The financial audit fee for 2014-15 is currently expected to be in line with the agreed fee set out in the Annual Audit Outline.

Yours sincerely,

Anthony Barrett
For and on behalf of the Auditor General for Wales

cc. Simon Smith, Chief Fire Officer;
Ken Finch, Section 151 Officer.

Appendix 3 – Certificates of compliance

Audit of North Wales Fire and Rescue Authority's 2016-17 Improvement Plan

Certificate issued 5 May 2015

I certify that I have audited North Wales Fire and Rescue Authority's (the Authority) 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: Leighton Andrews, Minister for Public Services
Steve Barry, Manager

Audit of North Wales Fire and Rescue Authority's assessment of 2014-15 performance

Certificate issued 20 November 2015

I certify that, following publication on 29 October 2015, I have audited North Wales Fire and Rescue Authority's (the Authority) assessment of its performance in 2014-15 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

Audit of North Wales Fire and Rescue Authority's 2016-17 Improvement Plan

Certificate issued July 2016

I certify that I have audited North Wales Fire and Rescue Authority's (the Authority) 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: Mark Drakeford, Cabinet Secretary for Finance and Local Government
Andy Bruce, Manager

Wales Audit Office

24 Cathedral Road

Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

Swyddfa Archwilio Cymru

24 Heol y Gadeirlan

Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn Testun: 029 2032 0660

E-bost: post@archwilio.cymru

Gwefan: www.archwilio.cymru