

# Annual Audit Letter

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Cheshire Fire and Rescue Authority

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Audit 2008/09

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November 2009

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# Contents

<b>Key messages</b>	<b>3</b>
<b>Financial statements and annual governance statement</b>	<b>5</b>
<b>Value for money and use of resources</b>	<b>7</b>
<b>Closing remarks</b>	<b>13</b>
<b>Appendix 1 – Use of resources key findings and conclusions</b>	<b>14</b>
<b>Appendix 2 – Action Plan</b>	<b>23</b>

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## Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/ members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
  - any third party.
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# Key messages

**This report summarises the findings from our 2008/09 audit. It includes messages arising from the audit of your financial statements and the results of the work I have undertaken to assess your arrangements to secure value for money in your use of resources.**

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## Audit Opinion

- 1 My audit is complete and as indicated in my Annual Governance Report presented to the Authority on 16 September, I issued an unqualified opinion on the financial statements.

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## Financial Statements

- 2 Last year I reported that the Authority had made improvements in its accounting practice and quality of working papers that lead to improved financial reporting supported. This trend has continued and working papers and audit trails have again improved.
- 3 However, I identified a number of material errors in the financial statements submitted for audit - these have all been corrected. The majority of the errors related to disclosure and presentational issues. They had no impact on the Authority's reported financial position.

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## Value for money conclusion and use of resources

- 4 I have reviewed how the Authority is managing and using its resources and determined that the Authority has adequate arrangements for securing economy, efficiency and effectiveness in the use of its resources. I issued an unqualified conclusion, on 16 September, stating that the Authority had adequate arrangements to secure economy, efficiency and effectiveness in its use of resources.
- 5 I also undertook a scored assessment of the Authority's use of resources. The use of resources assessment considers how well the Authority is managing and using its resources to deliver value for money and better and sustainable outcomes for local people. The assessment comprises three themes that focus on the importance of sound and strategic financial management, strategic commissioning and good governance, and the effective management of natural resources, assets and people.
- 6 I concluded that the theme and KLOE (key lines of enquiry) scores reflect an authority that is performing adequately - level 2 performance. The Authority requested a review of this assessment by the Audit Commission. The Audit Commission's review officer has concluded that the overall score should remain at level 2.

- 7 My main findings and conclusions are summarised on pages 7-11 together with detailed recommendations. Further details are included in Appendix 1.

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### Comprehensive Area Assessment and Organisational Assessment

- 8 The Audit Commission introduced a new assessment regime during 2009, Comprehensive Area Assessment. This aims to review the performance of local partners in delivering better outcomes for local people. The assessment is designed to focus attention on areas that need attention in order to deliver additional and sustained improvement. Our work in this area is being led by the local Comprehensive Area Assessment Lead (CAAL). The CAAL has shared draft findings with officers and he is due to formally report on 9 December 2009. Alongside the CAA report we will issue our organisational assessment which combines our judgements on your use of resources and managing performance. Any issues arising will be discussed with you and planned into future years audit and assessment activity.

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### Audit fees

- 9 I agreed the audit fee with you in July 2008 and reviewed it during the course of the audit to ensure that it appropriately reflected the level of work required. No changes were required to the audit fee during the year. I expect to contain the 2008/09 audit fee within the total amount agreed with you.

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**Table 1**      **Audit fees**

	<b>Actual</b>	<b>Proposed</b>
Financial statements and annual governance statement	46,690	46,690
Value for money	19,000	19,000
<b>Total audit fees</b>	65,690	65,690
Inspection	16,228	16,228
<b>Total</b>	81,918	81,918

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### Independence

- 10 I can confirm that the audit has been carried out in accordance with the Audit Commission's policies on integrity, objectivity and independence.

# Financial statements and annual governance statement

**The LG body's financial statements and annual governance statement are an important means by which the Authority accounts for its stewardship of public funds.**

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## Significant issues arising from the audit

- 11** During the course of my audit I identified a number of errors in the financial statements that were clearly not trivial in nature. Only one error had an impact on the reported deficit on the Income and Expenditure Account and that arose from a transposition error when updating asset values. The effect was to overstate the revaluation gain and the impairment charge on property assets (both notional entries) by £194,000. This error does not impact on the General Fund balance because these entries are reversed out under statutory and proper practices.
  - 12** All other errors relate to the disclosure of transactions and balances and were corrected by officers in order to ensure that income and expenditure and assets and liabilities are properly reflected in the financial statements.
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## Material weaknesses in internal control

- 13** I have reviewed the Authority's system of internal control and found no material weaknesses. I reviewed the internal audit provision against the CIPFA Code of Practice for Internal Audit in Local Government in the UK 2006 (the Code) I have concluded that the Authority's internal audit provision is compliant with the standards set out in the Code.
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## Accounting Practice and financial reporting

I considered the qualitative aspects of your financial reporting and highlighted several items for which further refinement is possible. The detail is set out in my Annual Governance Report which can be obtained via the Authority.

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### International Financial Reporting Standards (IFRS)

- 14** In March 2008 the Treasury announced that the annual financial statements of government departments and other public sector bodies would be prepared using International Financial Reporting Standards (IFRS) from 2009/10 onwards. For local government bodies the first full year of application is the 2010/11 financial statements but the starting period for this (the transition date) is 1 April 2009. Local government bodies will be required to produce their 2009/10 Whole of Government Accounts return on an IFRS basis.
- 15** As part of my 2008/09 audit I have completed an Audit Commission survey on the Authority's progress in preparing for the implementation of the IFRS. The Authority has made a good start in its preparations for IFRS. Officers have identified the key risk areas for Cheshire Fire and Rescue Authority, and are in the process of preparing detailed methodologies for the various work areas. However, officers recognise that, in keeping with many authorities, considerable further work will be needed during 2009/10 to ensure required timeframes are met.

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### Treasury Management

- 16** As part of my 2008/09 audit, I completed an Audit Commission return on the Authority's Treasury Management arrangements. The Authority had no investments with Icelandic banks in 2008/09. There were no key issues identified in my review.

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# Value for money and use of resources

I considered how well the Authority is managing and using its resources to deliver value for money and better and sustainable outcomes for local people, and gave a scored use of resources judgement.

I also assessed whether the Authority put in place adequate corporate arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money (VFM) conclusion.

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## Use of resources judgements

- 17** In forming my scored use of resources judgements, I have used the methodology set out in the [use of resources framework](#). Judgements have been made for each key line of enquiry (KLOE) using the Audit Commission's current four point scale from 1 to 4, with 4 being the highest. Level 1 represents a failure to meet the minimum requirements at level 2.
- 18** I have also taken into account, where appropriate, findings from previous use of resources assessments (updating these for any changes or improvements) and any other relevant audit work where it has provided evidence of the position as at 31 March 2009.
- 19** The use of resources assessment considers how well the Authority is managing and using their resources to deliver value for money and better and sustainable outcomes for local people. The assessment comprises three themes that focus on the importance of sound and strategic financial management, strategic commissioning and good governance, and the effective management of natural resources, assets and people. The Authority's use of resources theme scores are shown in Table 2 below.  
Use of resources theme scores

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**Table 2 Use of resources theme scores**

Use of resources theme	Scored judgement
Managing finances	2
Governing the business	2
Managing resources	2

- 20** The scores for each theme are based on the scores reached by auditors on underlying KLOE. The KLOE are generic and apply to all organisations subject to use of resources judgements under CAA. This promotes consistency, demonstrating all organisations within a CAA area are treated in the same way, and to the same standards.
- 21** A summary of my key findings, conclusions and recommendations for each of the three themes is set out below. Further details are included in Appendix 1.

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### Managing finances

- 22** The Authority has integrated systems for financial and service planning and a record of financial stability. It understands the relationship between costs and efficiencies and makes some use of benchmarking and joint procurement arrangements. It actively manages its budgets and reports performance against budgets regularly. Efficiencies have been achieved in recent years (demonstrated through low council tax increases) and an increase in front line service delivery. It has a record for identifying potential accountancy issues and acting on them. The Authority has a good track record for identifying potential accountancy issues and acting on them.
- 23** The Authority can demonstrate that it engages with officers and members in the preparation of the annual budget, and links this to the Integrated Risk Management Plan. However, there is limited evidence of the Authority shifting resources to align financial plans with local improvement priorities. Although the Authority has given examples of engaging with different communities, there is limited evidence on the outcomes from this activity.
- 24** The Authority seeks innovative ways to deliver services, for example through joint procurement with the police, and use of volunteers and non-uniformed staff. However, it is not yet clear that such initiatives are part of a planned and strategic process which is designed to achieve savings targets and the delivery of corporate priorities. There is scope to develop:
- use of benchmarking and joint procurement;
  - better links between efficiency measures and unit costs;
  - how stakeholder consultation leads to specific decisions about priorities and resource allocation; and
  - social and environmental reporting.
- 25** Set out below are a number of actions the Authority can take that help improve its score in this area.

## Value for money and use of resources

### Recommendations

#### R1 Financial Planning

- Clearly identify how stakeholder consultation has led to specific decisions about priorities and resource allocation.
- Identify how area management teams have brought about changes to resource allocations.
- Expand the use of benchmarking and compare performance against benchmarks over time.
- Report performance against budget to members on a quarterly basis.
- Provide examples of how members monitor action plans included in performance reports.

#### R2 Understanding Costs

- Demonstrate how, over time, efficiency measures have led to changes in service unit costs.
- Introduce 'whole life' costing techniques for all significant procurement decisions.
- Demonstrate how scenario analysis has been used to future proof the IRMP.
- Risk assess savings plans.

#### R3 Financial Reporting

- Include forecast outturns and flexed budgets in monthly budget monitoring reports.
- Link rolling budget forecasts to rolling performance targets.

## Governing the Business

- 26** The Authority has a clear vision for fire and rescue services in its area and actively engages the community to help shape and deliver those services. The Authority's governance arrangements are good but there is scope to improve the effectiveness of partnerships. Risk management and business planning processes and counter fraud and corruption arrangements are operating effectively with no evidence of serious breaches.
- 27** Although the Authority has consulted a range of external stakeholders and members on the presentation of information, there is limited evidence of related outcomes or that the Authority has assessed the effectiveness of any changes made as a result.

**28** The Authority has an appropriate ethical framework in place and has minimised governance risks resulting from Local Government Reorganisation. However it is not yet clear how, for example, the Authority has raised awareness of the ethical framework to stakeholders, local people and communities, or communicated progress in developing the ethical culture of the organisation. There is scope to:

- demonstrate how, over time, key procurement decisions have delivered the intended outcomes;
- establish a suite of data quality performance measures, ensure data users and providers are aware of the standards expected and regularly monitor performance against those standards; and
- clarify how reactive counter fraud and corruption activity will be resourced.

**29** Set out below are a number of actions the Authority can take that help improve its score in this area.

**Recommendations**

**R4 Procurement**

- Provide evidence of engagement with other Fire and Rescue Authorities for procurement and the impact this has had on front line services.
- Include sustainability impact assessments as part all significant procurement decisions, the assessment should cover the effects on the local environment, the local economy and local social conditions.
- Demonstrate how, over time, the key procurement decisions have delivered their intended outcomes.
- Extend the use of e-procurement and show what savings have been achieved.

**R5 Data Quality**

- Make all staff processing performance data aware of the data scrutiny arrangements in place.
- Regularly review the information needs of those receiving data from the Authority and record the outcome of these reviews.
- Provide an effective feedback loop between the providers and uses of information.
- Establish a suite of data quality performance measures, ensure data users and providers are aware of the standards expected and regularly monitor performance against those standards.

**R6 Promoting good governance**

- Review the development of the Authority's ethical environment since local government re-organisation in Cheshire and report the results to stakeholders and the local community.
- Provide evidence to show that stakeholders have confidence in the Authority's governance arrangements including those covering partnerships and the voluntary sector.

## Value for money and use of resources

### Recommendations

#### R7 Internal Control Systems

- Include a counter fraud and corruption element in all service and systems based reviews.
- Specify the resources to be allocated to proactive counter fraud and corruption activity.
- Self assess the effectiveness of both the Policy and Performance Committees.

### Managing resources

- 30** Work force planning is the only KLOE has been assessed in this theme this year.
- 31** The Authority plans, organises and develops its workforce effectively. It has a good understanding of its workforce make up and its training and development programme is sufficiently flexible to enable it to respond to specific training needs during the year. Work is underway to improve recruitment of under represented groups; the Authority has achieved level 3 of the Local Government Equality Standard in 2008/09 and has improved diversity indicators but still does not fully reflect its host community.
- 32** The Authority has achieved a huge organisational and cultural shift through changing shift patterns, improving facilities and providing a variety of means of communication up and down the structure. Although the Authority is taking steps to address the issue of a high number of staff retiring there is insufficient evidence that this has been done in the context of strategic workforce planning which is aligned to strategic objectives and medium-term financial planning.
- 33** Examples of the Authority's approach to service delivery were cited in the Commission's Rising to the Challenge report. The Authority can demonstrate that it is working with key partners in joint workforce planning. There is scope to:
- improve recruitment of under represented groups; and
  - demonstrate the links between key policies and better outcomes.
- 34** Set out below are a number of actions the Authority can take that help improve its score in this area.

### Recommendations

#### R8 Work Force Planning

- Continue work towards diversity and equality targets that ensure the Authority reflects its host community.
- Provide evidence of how quickly the Authority is moving towards those targets.

- 35** I have provided officers with a full analysis of my findings; the recommendations above are based on this analysis and have been agreed with Officers. We are working together to ensure that all improvement is captured in readiness for the 2009/10 assessment.

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### VFM Conclusion

- 36** I assessed your arrangements to secure economy, efficiency and effectiveness in your use of resources against criteria specified by the Audit Commission. From 2008/09, the Audit Commission will specify each year, which of the use of resources KLOE are the relevant criteria for the VFM conclusion at each type of audited body. My conclusions on each of the areas are set out in Appendix 1.
- 37** I issued an unqualified conclusion stating that the Authority had adequate arrangements to secure economy, efficiency and effectiveness in its use of resources.

## Closing remarks

- 38** The economic downturn, public sector funding and the banking crisis is having a very significant impact on public finances and the bodies that manage them. It is envisaged that there will be wide ranging and more fundamental impacts on the ability of public sector bodies to fund service delivery and capital programmes in the short to medium term, including pressures on income streams. There are further challenges for policy priorities where patterns of demand for services are also changing. In addition the Authority continues to implement its own efficiency and improvement review programme. These changes and the Authority's response will be a key focus of my attention for future audits.
- 39** I have discussed and agreed this letter with the Chief Fire Officer and the Treasurer. I will present this letter at the Policy Committee on 18 November 2009 and will provide copies to all committee members.
- 40** The Authority has taken a positive and constructive approach to our audit. I wish to thank the Authority staff for their support and co-operation during the audit.

Judith Tench  
District Auditor  
November 2009

# Appendix 1 – Use of resources key findings and conclusions

The following tables summarise the key findings and conclusions for each of the three use of resources themes.

## Managing finances

<b>Theme score</b>	<b>2</b>
<b>Key findings and conclusions</b>	
<p>The Authority has integrated systems for financial and service planning and a record of financial stability. It understands the relationship between costs and efficiencies. Some benchmarking is used as are joint procurement arrangements and further developments are planned in both these areas. The Authority actively manages its budgets and reports performance against budgets regularly. Efficiencies have been achieved as demonstrated through low council tax increases in recent years, plus an increase in front line service delivery. It has a record for identifying potential accountancy issues and acting on them.</p>	

## Appendix 1 – Use of resources key findings and conclusions

<p><b>KLOE 1.1 (financial planning)</b></p> <p><b>Score</b></p> <p><b>VFM criterion met</b></p>	<p><b>2</b></p> <p><b>Yes</b></p>
<p><b>Key findings and conclusions</b></p>	
<p>The Authority has good integrated financial and service planning systems. The Authority can demonstrate that it engages with officers and members in the preparation of the annual budget, and links this to the Integrated Risk Management Plan. This is reflected in its record of financial stability and minimal increases in council tax precept, there is active management of reserves and good scrutiny of financial planning and reporting. Although there is evidence of consultation with stakeholders it is not clear what impact this has had. Relative performance in cashable savings is weak.</p>	
<p><b>KLOE 1.2 (understanding costs and achieving efficiencies)</b></p> <p><b>Score</b></p> <p><b>VFM criterion met</b></p>	<p><b>2</b></p> <p><b>Yes</b></p>
<p><b>Key findings and conclusions</b></p>	
<p>There is some use of activity based costing and use of bench-mark data though this is new this year and arrangements are being developed. Major expenditure is carried out on the basis of 'business case' proposals and planned efficiency savings and this has been demonstrated in actions to reduce the Authority's carbon footprint. Innovative ways are sought to deliver services, for example joint procurement with police on treasury management and internal audit services and in the use of volunteers and non-uniformed staff. Efficiencies have been achieved as demonstrated through low council tax increases in recent years, plus an increase in front line services and the number of home safety assessments completed.</p>	

<p><b>KLOE 1.3 (financial reporting)</b></p> <p><b>Score</b></p> <p><b>VFM criterion met</b></p>	<p><b>2</b></p> <p><b>Yes</b></p>
<p><b>Key findings and conclusions</b></p>	
<p>The Authority manages its budgets monthly. Members are actively engaged in preparing and setting the budget but detailed monitoring by members occurs only at the mid-year point. The Authority has successfully managed its budgets over a number of years. The Authority has a record of identifying potential accounting and financial reporting issues and taking early action to address them. Weaker areas are the degree of budget profiling and the limited use of activity based costing. Social and environmental impact reporting is beginning to feature.</p>	

## Appendix 1 – Use of resources key findings and conclusions

### Governing the business

<b>Theme score</b>	<b>2</b>
<b>Key findings and conclusions</b>	
<p>The Authority has a clear vision for fire and rescue services in its area and actively engages the community to help shape and deliver those services.</p> <p>The Authority procures quality services appropriate to local needs. It produces and uses relevant and reliable information for financial and performance management.</p> <p>There are good governance arrangements, a clear vision and a sensible approach to partnership arrangements. There is scope for further evaluation of the effectiveness of partnerships.</p> <p>Risk management and business planning are well integrated and risk management principles have been applied effectively to the modernisation programme. Counter fraud and corruption arrangements are operating effectively with no evidence of serious breaches however clarity is needed over how reactive counter fraud and corruption activity will be resourced.</p>	

<p><b>KLOE 2.1 (commissioning and procurement)</b></p> <p><b>Score</b></p> <p><b>VFM criterion met</b></p>	<p><b>2</b></p> <p><b>Yes</b></p>
<p><b>Key findings and conclusions</b></p>	
<p>The Authority has a clear vision of intended outcomes for local people as evidenced through joint working with Chester University. This shows that targeting of HSA has reduced the incidents of dwelling fires, and has refurbished fire stations to make them fit for community and partner use / hire, and making them comply with DDA access requirements. Local people are involved as evidenced by the local volunteer fire-fighter scheme; the Authority has used pedal bikes to reach the canal boat population which is significant in Cheshire and have worked with the Race Equality Council (Halton and Warrington), the Muslim Council in Warrington and Ellesmere Port, and targeted work with the Polish community in Crewe. This has in turn enabled the Authority through its volunteers to reach hard to reach groups to conduct HSAs. The Authority has used the learning from such engagement to procure especially designed smoke alarms for older and deaf people. Service re-design has been used to improve vfm eg implementing a new 12 hour day shift, with evenings covered by part time fire-fighters working on a retained duty system. The Authority is part of a procurement net work to achieve vfm and procurement options are evaluated post implementation. Although there is no formal process, vfm does feature in reviews at service level, and a positive outcome of this has been the cost savings achieved in the HAS programme.</p>	

## Appendix 1 – Use of resources key findings and conclusions

<p><b>KLOE 2.2 (data quality and use of information)</b></p> <p><b>Score</b></p> <p><b>VFM criterion met</b></p>	<p><b>2</b></p> <p><b>Yes</b></p>
<p><b>Key findings and conclusions</b></p>	
<p>The Authority has strong arrangements in place over sharing data with partners and has had positive feed back on arrangements from the Information Commissioner. The authority has detailed knowledge of and data on the local population, this is shared with members and service managers, it includes information on Black and Minority Ethnic groups, and specific work is targeted towards those parts of the population assessed as higher risk. It has appropriate arrangements for securing and safeguarding data including business continuity arrangements. The authority uses performance data monitor achievement of corporate targets. Strong performance management monitoring arrangements are in place, and this is reflected in good improvements in fire performance indicators. The Authority has consulted a range of external stakeholders and members on the presentation of information, although there is limited evidence of related outcomes or that the Authority has assessed the effectiveness of any changes made as a result.</p>	
<p><b>KLOE 2.3 (good governance)</b></p> <p><b>Score</b></p> <p><b>VFM criterion met</b></p>	<p><b>2</b></p> <p><b>Yes</b></p>
<p><b>Key findings and conclusions</b></p>	
<p>Good governance arrangements are in place and are demonstrated by regular follow-up of reports brought to committees and the structure of the programme of training on Governance. The Authority has a very clear vision and this is shared and understood across the Authority. The Authority has and uses a tool kit for assessing its partnerships and determining the appropriate governance arrangements for each partnership. The Authority is active in building relationships with stakeholders but it is unclear how this impacts on governance or on the shaping of the vision. The Authority has minimised governance risks resulting from Local Government Reorganisation and is planning a comprehensive training programme for members new to the Authority following LGR.</p>	

<p><b>KLOE 2.4 (risk management and internal control)</b></p> <p><b>Score</b></p> <p><b>VFM criterion met</b></p>	<p><b>3</b></p> <p><b>Yes</b></p>
<p><b>Key findings and conclusions</b></p>	
<p>Risk management and business planning are well integrated and risk management principles have been used to help drive the Authority's modernisation programme. The Authority has and uses a partnership Governance tool that is designed to ensure that appropriate and proportionate governance arrangements are in place to address the risks that come with partnership working. There is an internal audit function that meets the CIPFA standard for internal audit in local authorities. Counter fraud and corruption activity is well established and there is no record of serious breaches. The Authority has good business continuity arrangements and ensures that key suppliers also have good business continuity arrangements. A weak area is the provision for reactive counter fraud and corruption work, it was not clear how this would be funded and whether resource would be diverted from other governance related activities.</p>	

## Appendix 1 – Use of resources key findings and conclusions

### Managing resources

<b>Theme score</b>	<b>2</b>
<b>Key findings and conclusions</b>	
See below.	
<b>KLOE 3.1 (use of natural resources)</b>	
<b>Score</b>	
<b>VFM criterion met</b>	
<b>Key findings and conclusions</b>	
Not assessed this year	
<b>KLOE 3.2 (strategic asset management)</b>	
<b>Score</b>	
<b>VFM criterion met</b>	
<b>Key findings and conclusions</b>	
Not assessed this year	

<p><b>KLOE 3.3 (workforce planning)</b></p> <p><b>Score</b></p> <p><b>VFM criterion met</b></p>	<p><b>2</b></p> <p><b>Yes</b></p>
<p><b>Key findings and conclusions</b></p>	
<p>The Authority plans, organises and develops its workforce effectively. It has a good understanding of its workforce make up and has proactive and reactive facility with in its training and development scheme. Work is underway to improve recruitment of under represented groups; positive achievements include the Authority achieving level 3 of the Local Government Equality Standard in 2008/09 and the Authority has improved diversity indicators but still does not fully reflect its host community. The Authority has achieved a huge organisational and cultural shift through changing shift patterns, improving facilities and providing a variety of means of communication up and down the structure. Examples of an innovative approach to service delivery in the Authority were cited in the Commission’s Rising to the Challenge report. The Authority can demonstrate that it is working with key partners in joint workforce planning though currently there is only limited evidence of the outcomes of these arrangements.</p>	

## Appendix 2 – Action Plan

Page no.	Recommendation	Agreed
9	<p>R1 Financial Planning</p> <ul style="list-style-type: none"> <li>Clearly identify how stakeholder consultation has led to specific decisions about priorities and resource allocation.</li> <li>Identify how area management teams have brought about changes to resource allocations.</li> <li>Expand the use of benchmarking and compare performance against benchmarks over time.</li> <li>Report performance against budget to members on a quarterly basis.</li> <li>Provide examples of how members monitor action plans included in performance reports.</li> </ul>	Yes
9	<p>R2 Understanding Costs</p> <ul style="list-style-type: none"> <li>Demonstrate how, over time, efficiency measures have led to changes in service unit costs.</li> <li>Introduce ‘whole life’ costing techniques for all significant procurement decisions.</li> <li>Demonstrate how scenario analysis has been used to future proof the IRMP.</li> <li>Risk assess savings plans.</li> </ul>	Yes
9	<p>R3 Financial Reporting</p> <ul style="list-style-type: none"> <li>Include forecast outturns and flexed budgets in monthly budget monitoring reports.</li> <li>Link rolling budget forecasts to rolling performance targets.</li> </ul>	Yes

Page no.	Recommendation	Agreed
10	<p>R4 Procurement</p> <ul style="list-style-type: none"> <li>● Provide evidence of engagement with other Fire and Rescue Authorities for procurement and the impact this has had on front line services.</li> <li>● Include sustainability impact assessments as part all significant procurement decisions, the assessment should cover the effects on the local environment, the local economy and local social conditions.</li> <li>● Demonstrate how, over time, the key procurement decisions have delivered their intended outcomes.</li> <li>● Extend the use of e-procurement and show what savings have been achieved.</li> </ul>	Yes
10	<p>R5 Data Quality</p> <ul style="list-style-type: none"> <li>● Make all staff processing performance data aware of the data scrutiny arrangements in place.</li> <li>● Regularly review the information needs of those receiving data from the Authority and record the outcome of these reviews.</li> <li>● Provide an effective feedback loop between the providers and uses of information.</li> <li>● Establish a suite of data quality performance measures, ensure data users and providers are aware of the standards expected and regularly monitor performance against those standards.</li> </ul>	Yes
10	<p>R6 Promoting good governance</p> <ul style="list-style-type: none"> <li>● Review the development of the Authority's ethical environment since local government re-organisation in Cheshire and report the results to stakeholders and the local community.</li> <li>● Provide evidence to show that stakeholders have confidence in the Authority's governance arrangements including those covering partnerships and the voluntary sector.</li> </ul>	Yes
11	<p>R7 Internal Control Systems</p> <ul style="list-style-type: none"> <li>● Include a counter fraud and corruption element in all service and systems based reviews.</li> <li>● Specify the resources to be allocated to proactive counter fraud and corruption activity.</li> <li>● Self assess the effectiveness of both the Policy and Performance Committees.</li> </ul>	Yes

## Appendix 2 – Action Plan

Page no.	Recommendation	Agreed
11	<p>R8 Work Force Planning</p> <ul style="list-style-type: none"><li>• Continue work towards diversity and equality targets that ensure the Authority reflects its host community.</li><li>• Provide evidence of how quickly the Authority is moving towards those targets.</li></ul>	Yes

The Authority will bring a detailed Action Plan before members for approval and monitoring.

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# The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

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