

Annual Audit Letter
**Mid and West Wales Fire
Authority**

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Reference:	762A2003AALfinal
Author:	Ceri Stradling
Date:	December 2003

KEY MESSAGES FOR THE AUTHORITY

Accounts

The audit of the statement of accounts is currently underway and we are planning to issue an opinion on the Authority's accounts in December 2003. At this stage, there are no significant issues to report.

Legality of transactions

The Authority continues to apply appropriate arrangements to ensure the legality of its transactions.

However, a human rights strategy remains to be completed and adopted by the Authority.

Financial standing

Overall, the financial position remains satisfactory. However, the financial effects of the recent fire fighters' pay settlement will increase the financial pressures faced by the Authority. Locally, it is estimated that the Authority will have to find an additional £2.9m over the next three years to fund the agreed award. This, together with the continuing financial pressures arising from fire fighters' pensions will mean that the Authority will need to continue to ensure that regular financial reports are received to monitor the financial position and take remedial action if required.

Systems of internal financial control

The Authority's financial control arrangements are generally appropriate and operating as intended, apart from:

- a need to review and amend where appropriate the capacity and programme of internal audit work to ensure it is effectively aligned to the Authority's risks;
- procedures for identifying and recording contracts which should be strengthened by the introduction of a comprehensive contract register;
- identifying training requirements for both members and staff in the operation of the new Constitution;
- ensuring that all the data from the National Fraud Initiative is reviewed and the results reported to the Authority.

Securing improvement in services

Performance management and other best value principles are the key building blocks to securing improvement in services. The Authority has demonstrated in previous years its commitment to delivering 'improved services'. The past year has been dominated by industrial action and this, coupled with the 'Modernisation Agenda' set by central government, has meant the Authority and Brigade has not been able to progress its approach to service improvement as quickly as planned. Additionally, there remain a number of our recommendations agreed in 2001/2002 which have not yet been fully implemented.

As part of its response to the changes arising from the 'Modernisation Agenda', the Authority must continue to ensure that it maintains its momentum to deliver the actions arising from previous service reviews whilst, at the same time ensuring that the future reviews are both robust and challenging.

Last year, we reported that overall performance in 2001/2002 had stayed the same or improved for almost 65% of PIs where year on year comparison was relevant. Examination of performance for 2002/2003 shows that this trend of continuing improvement has been maintained, with 90% of PIs which can be compared on an annual basis staying the same or improving. This is a very creditable position given the level of disruption experienced over this period.

Also performance to date shows that following a significant increase in the period to 31 March 2001, both the number of deaths and injuries from accidental dwelling fires are reducing, although the overall trend remains above the 20% target set by the ODPM.

Recommendations

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| R1 | A plan should be prepared for a human rights strategy to be completed and formally adopted by the Authority. |
| R2 | The Treasurer should review and report to members on the current capacity and future direction of the internal audit programme. |
| R3 | Training for both members and staff in the requirements of the new Constitution should be reviewed and reported to the appropriate committee. |
| R4 | Procedures should be reviewed so that the results of the data matching exercise are reported back to Finance staff and then in summary format to the Authority. |
| R5 | Review and action where appropriate recommendations not implemented from previous year's work. |
| R6 | The trends on deaths and injuries resulting from fires should continue to be monitored to identify what issues should be taken forward to the fire safety programme. |

Background to the audit

This year has been an exceptional year for the Fire Service through England and Wales. There was significant disruption arising from the national pay dispute and the challenges resulting from the Government White Paper – Our Fire and Rescue Service. Although the dispute is now settled, there remain a number of important challenges which will increase both management and financial pressures during the current year. These include:

- implementation of the agreed pay settlement;
- the production of an integrated risk management plan.

At a local level, the Brigade was reorganised into six command areas, each coterminous with the respective unitary authorities.

Once complete, a further challenge will be to implement the agreed risk plan with minimum disruption to the Service.

Additional considerations for the Authority will inevitably arise from the transfer of responsibility for Inspection from HMIFS to the Audit Commission and with the expected transfer to the Welsh Assembly Government of responsibility for the Fire and Rescue Service in Wales.

These further changes may impact on the future performance regime for the fire service in Wales. The Authority and Brigade will need to ensure they remain alert to this and provide the management capacity to respond effectively.

The purpose of this Letter

This Annual Audit Letter summarises for members the more important matters arising from our 2002/2003 audit and comments on other current issues. We have produced separate reports during the year on specific aspects of our work which we have agreed with officers as listed at the end of this Letter.

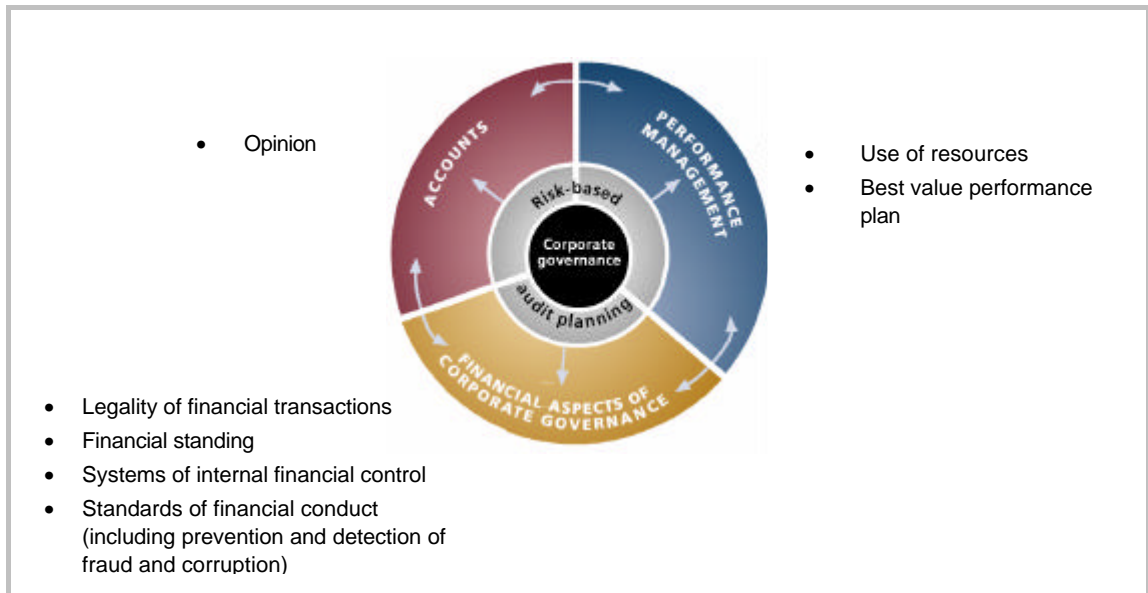
Appendix 1 to this Letter includes our Audit Certificate on the Authority's 2003/2004 Best Value Performance Plan (BVPP).

The Audit Commission has circulated to all audited bodies a statement which summarises the key responsibilities of auditors. Our audit has been conducted in accordance with the principles set out in that statement. What we say about the results of our audit should be viewed in the context of that more formal background.

Audit objectives

Our audit work is based on the Authority's significant financial and operational risks and is structured around three main elements, as set out in the Audit Commission's Code of Audit Practice (Exhibit 1).

EXHIBIT 1: THE THREE MAIN ELEMENTS OF OUR AUDIT OBJECTIVES



The Annual Audit Plan which was agreed earlier in the year, provides a programme of work covering the two financial years 2002/2003 and 2003/2004; the aim being to bring forward the completion of audit work to reflect the 'Whole of Government Accounts' initiative which requires all public sector bodies to bring forward the date for the completion of the statement of accounts. The proposed earlier completion of audit work also gave us the opportunity to align our audit year to that of the Authority.

However, in compiling a two year plan, it was recognised that some audit work relating to performance management would need to be provisional to allow us to respond to changes which may occur during the period of the Audit Plan. This flexibility was particularly relevant, given significant changes that the Service faces in response to the Bain Review and the need to modernise the Fire Service.

Accounts

- Audit opinion on the financial statements.

Financial aspects of corporate governance

- Legality of transactions;
- Financial standing;
- Systems of internal financial control;
- Standards of financial conduct, and the prevention and detection of fraud and corruption;
- National Fraud Initiative.

Securing improvement in services

- Agreed audit work;
- Delivering improvement through e-Government;
- BVPP.

Accounts

We plan to issue an audit opinion on the Authority's financial statement of accounts in December 2003.

In accordance with required timescales, members approved the statement of accounts in September 2003. Our work commenced in October and at this stage, we are not aware of any issues which are likely to affect the audit opinion.

Earlier in the year, we reviewed the Authority's core processes (main accounting system, budgetary control and procedures for the completion of the statement of accounts). We concluded that procedures are operating as intended and that we are able to place reliance on them for the accurate and timely production of the accounts.

Over the next few years, it will be important for the Authority to continue to develop these processes to enable it to meet the demands of the 'Whole of Government Accounts' initiative. This initiative requires all authorities to progressively bring forward the preparation and publishing of their accounts each year.

SAS 610 - Reporting to those charged with governance

The Statement of Auditing Standards (SAS 610) 'Reporting to those charged with governance' applies to the audit of the Fire Authority's accounts. The SAS requires auditors to report to those charged with governance (as distinct from management) the following matters for the first time in 2002/2003 before they give an opinion on the financial statements:

- expected modifications to the auditor's report;
- unadjusted mis-statements;
- material weaknesses in the accounting and internal control systems identified during the audit;
- their views about the qualitative aspects of the entity's accounting practices and financial reporting;
- matters specifically required by other auditing standards to be communicated to those charged with governance;
- any other relevant matters to the audit.

At this point in time I am not aware of any issues which I need to bring to the attention of the Authority. If this position changes I will issue a separate report.

Financial aspects of corporate governance

- Legality of financial transactions;
- Financial standing;
- Systems of internal financial control;
- Standards of financial conduct and the prevention and detection of fraud and corruption;
- National Fraud Initiative.

Legality of financial transactions

Overall, we consider that the Authority has continued to apply appropriate procedures for the consideration of legal issues.

Last year, we referred to the need to complete an Authority wide review of the implications of the Human Rights Act. This review identified a need for the Authority to establish a Human Rights Act strategy and action plan. This should include an agreed approach for reviewing all documentation for compliance with the Act and providing training to staff and members.

The Employment and Advice Officer has been given responsibility for developing a strategy, though completion has been delayed due to the fire fighters' pay dispute and the internal reorganisation of the Brigade.

Recommendation

R1 A plan should be prepared for a human rights strategy to be completed and formally adopted by the Authority.

Financial standing

The Authority and Brigade has continued to apply appropriate procedures for effective financial management.

Overall, the financial position of the Authority remains sound, although in common with all brigades, the funding of the recent pay settlement together with the implementation of the Modernisation Agenda means that the Service will face unprecedented financial pressure over the next few years. In particular, the likely financial effects of the pay settlement are:

EXHIBIT 2: INDICATIVE INCREASE ON 2003/2004 ORIGINAL BUDGET

The Authority is facing an additional commitment of £2.9m over the next three years.

Financial years	Indicative increase			
	Fire fighters (full-time) £'000	Retained £'000	Other staff £'000	Total £'000
2003/2004	185	17 3	64	422
2004/2005	1,106	49 4	68	1,668
2005/2006	600	18 4	46	830
Total	1,891	85 1	178	2,920

Source: Mid and West Wales - Finance records.

Reported net expenditure in 2002/2003 was in line with the budget at £34m.

The Authority has continued to receive monitoring reports for revenue and capital expenditure at bi-monthly intervals. We note that the reports have recently been reformatted to show surpluses/deficits occurring during the reported period. We consider this represents good practice.

Monitoring reports for the current year show that for the period ending 30 June 2003 there was a cumulative overspend of £196,000 for the period. However, total expenditure was expected to be in line with the annual budget by the end of March 2004.

Systems of internal financial control

Overall, we consider that the Authority's financial systems are compliant with the requirements of the new statement on the systems of internal financial control.

A new requirement this year of the Code of Practice on Local Authority Accounting (issued by CIPFA and LASACCS) is that the Treasurer has to complete a statement on the system of internal financial control. This statement sets out the framework within which financial control is managed and reviewed together with the main components of the system, including arrangements for internal audit. Overall, we consider that the Authority's financial systems are in line with the contents of this statement.

Internal audit

Whilst the standard of work completed remains good, the capacity and scope of internal audit work has remained unchanged for a number of years. There is now a need to review the present capacity and overall direction of internal audit to ensure their work reflects the identified risks facing the Authority.

Recommendation

R2 The Treasurer should review and report to members on the current capacity and future direction of the internal audit programme.

Standing orders and procedures relating to contracts

As part of this year's audit, we have reviewed standing orders relating to contracts to ensure that they:

- provide an effective basis for the letting and control of contracts and they accord with recognised best practice;
- have been applied consistently and that current contracts are being let in accordance with these requirements.

At the time of the review, officers were in the process of reviewing and updating standing orders relating to contracts. The subsequent audit work identified a number of specific areas where current orders were either deficient and/or in need of updating. These issues were discussed with the Director of Service Support and subsequently included in the new orders adopted in September.

Our main conclusion for the audit is that whilst the letting and management of the three contracts selected for testing were compliant with standing orders, the overall control environment in relation to contracts is fragmented and weak.

In particular, the absence of one section/department responsible for recording all contracts awarded significantly increases the risk of a contract being entered into without appropriate input from Service Support or Finance sections.

We have agreed with officers that a central register should be kept showing details for each contract let to include:

- tenders received, date of opening, value of tenders and officers/members present at the opening;
- all contracts let, their value and a chronological record of payments made.

These records have now been introduced and we will examine the impact they have had on improving control during the next audit.

Standards of financial conduct, and the prevention and detection of fraud and corruption

The recently adopted new Constitution provides an effective foundation to promote high standards of financial conduct.

Last year, we referred to the need to review and update standing orders and financial regulations. Further, we commented that there was scope to improve arrangements for the standards of financial conduct, and the prevention and detection of fraud and corruption by:

- Ensuring all relevant officers and members receive the updated standing orders and financial regulations.
- Establishing a scheme of delegation below Chief Fire Officer. This should be undertaken as part of the restructuring.
- Updating the Code of Conduct for Officers to comply with best practice.
- Ensuring members and officers clearly record the gifts and hospitality offered and whether they were accepted.
- Ensuring the Gifts and Hospitality Registers are reviewed at least quarterly.
- Establishing a register setting out sponsorship provided or received.
- Improving controls over expenditure on conferences and entertainment.

In September 2003, following a report from the Clerk and Director of Service Support, the Authority formally adopted a new Constitution. The Constitution comprises 14 Articles which sets out the basic rules which members and officers must comply with. These articles are supported by more detailed written procedures and Codes of Practice. We consider that these articles and procedures provide an effective basis for sound corporate governance.

As part of the process of ensuring their consistent application and understanding, there is now a need to consider how they should be distributed and what specific training is required for members and officers. This should be followed up at a later date with a review by internal/external audit in their application.

Recommendation

R3 Training for both members and staff in the requirements of the new Constitution should be reviewed and reported to the appropriate committee.

National Fraud Initiative

This is a national exercise undertaken by the Audit Commission to match payroll and pension data from all authorities to help identify and reduce the level of housing benefit fraud, occupational pension fraud and tenancy fraud. To date, since the commencement of this work in 1996, identified savings in England and Wales has exceeded £155m.

Earlier this year, the Audit Commission provided the Authority with two disks of data which identify a number of potential matches. Whilst these disks have been passed to the Payroll and Pension Manager of Carmarthenshire County Council for further examination, no follow-up enquiries have been made into the results of the exercise.

Procedures should now be revised so that the Authority receives assurance or otherwise that any employees or pensioners of the Fire Service in receipt of housing benefit has been correctly determined.

Recommendation

R4 Procedures should be reviewed so that the results of the data matching exercise are reported back to Finance staff and then in summary format to the Authority.

IT security

Information and IT based systems are integral to the efficient and effective delivery of services and business continuity.

Last year, we referred to the progress being made by the Authority in ensuring appropriate procedures were being adopted in respect of the security of IT based systems. Since then, good progress has been made by the Authority in addressing the management arrangements for IT security. In particular:

- procedures setting out how the Brigade will respond to IT security incidents have been documented;
- the IT Security Policy has been communicated to staff;
- job descriptions now include IT responsibilities;
- IT security training is provided to new staff, and the training needs of existing staff is being reviewed;
- guidance is now issued regarding use of mobile equipment including mobile telephones.

Securing improvement in services

An integral part of the Code of Audit Practice for the delivery of an effective external audit is the identification and delivery of audit work to assist authorities in developing and improving service delivery. This duty is discharged both by undertaking specific audit work on areas where we agree with the Authority and officers that an independent review would be beneficial, together with consideration of performance issues arising from the 'best value' process.

Agreed audit work

This year's audit programme was agreed with senior officers against a background of industrial action and uncertainty how the 'modernisation' issues arising from the Bain Review would affect future service delivery. We therefore agreed the following programme work but deferred the start date:

- a review of the effectiveness of arrangements adopted for working with other partners in the delivery of a local fire service;
- consideration of issues arising from the internal review into the cost of the service.

This work is now underway and will be reported early in the new year.

Delivering improvement through e-Government

This work consisted of a review of the progress being made to provide opportunities for the public to communicate and deal with the Authority and Brigade through the use of IT (commonly referred to as e-Fire).

Our overall conclusion is that the Authority has recognised the need to address the e-Government Agenda as a mechanism for improving service delivery to the local communities. As part of this process, the Authority and Brigade are aware of national priorities and targets and have taken a proactive approach to putting appropriate management arrangements in place to achieve these objectives.

However, the Authority cannot move forward with the e-Agenda until a response has been received from the Office of Deputy Prime Minister (ODPM) in respect of the IEG Statement submitted last year. Nevertheless, work is already proceeding in areas that can benefit citizens and the community.

Since the completion of our work, stage 2 of the IEG Statement has been approved and £50,000 of funding has been provided by the OPDM to the Authority. IEG stage 3 has also been submitted, but the ODPM has indicated that further funding is a matter for the Welsh Assembly Government. The availability of further funding is seen as crucial for the successful implementation of this initiative.

Future audit work

The Draft Integrated Risk Management Plan which is currently out to consultation when complete and adopted will provide the basis for the future local delivery of the Fire Service. As such, we are presently discussing with the Chief Fire Officer and other senior officers how future improvement work should be tailored to assist in the delivery of the agreed Integrated Risk Management Plan.

Best Value Performance Plan

Introduction

Under the Local Government Act 1999, specified local government bodies are expected to comply with the requirements of 'Best Value', which is defined as making arrangements to secure continuous improvement in the way in which their functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The audited body is required to publish annually a BVPP, which summarises the body's assessments of its performance and position in relation to best value. The audited body is responsible for preparing the BVPP and for the information and assessments that are set out within it, and the assumptions and estimates on which they are based. It is also responsible for putting in place appropriate performance management and internal control systems, from which the information and assessments in the BVPP are derived.

I am required to consider and report on whether the audited body has complied with statutory requirements in respect of the preparation and publication of its BVPP.

Publication of the 2003/2004 BVPP

The Authority produced a comprehensive, clear and informative BVPP for 2003/2004. Apart from the omission of two performance indicators (BVPI 2a and BVPI 157) the Plan complied with statutory guidance and was published by the required date. I am required to produce an audit opinion by the 31 December and expect to issue this shortly. At this stage I am not aware of any significant issues which are likely to affect the opinion, should this position change I will issue a separate report.

During the 12 months to July 2003, there has been a period of protracted industrial action which has effected performance in a number of key areas and this, together with the need for the Authority and Brigade to respond to the Modernisation Agenda set by central government, has meant that progress in developing the concept of best value and performance management in general has not progressed as quickly as in previous years.

In particular:

- there are a number of recommendations from our previous audit work which remain to be implemented;
- HMFIS have undertaken no inspections of the Authority and Brigade due in part to the fire fighters pay dispute and also to the changes that have occurred within the Service in recent times including the proposed changes to the regulatory regime.

The next few months will see the Authority and Brigade complete and adopt an integrated risk management plan for the Service. This document which is currently out to consultation will be key to the future provision of the Fire Service in Mid and West Wales and will identify a number of key development needs that the Authority must respond to. The development needs flowing from the Integrated Risk Management Plan will need to be fed into future performance measures and targets for the service.

The performance management and service framework established as part of best value will form a key process to enable the Authority to monitor progress and performance of issues arising from the Integrated Risk Management Plan.

To assist in this process, we have concentrated our work this year to reviewing:

- the progress in implementing recommendations made in prior years;
- performance changes achieved on a year on year basis.

Previous year recommendations

EXHIBIT 3: RECOMMENDATIONS ARISING FROM AUDIT WORK COMPLETED IN 2001/2002

There are a number of audit recommendations which remain to be fully implemented.

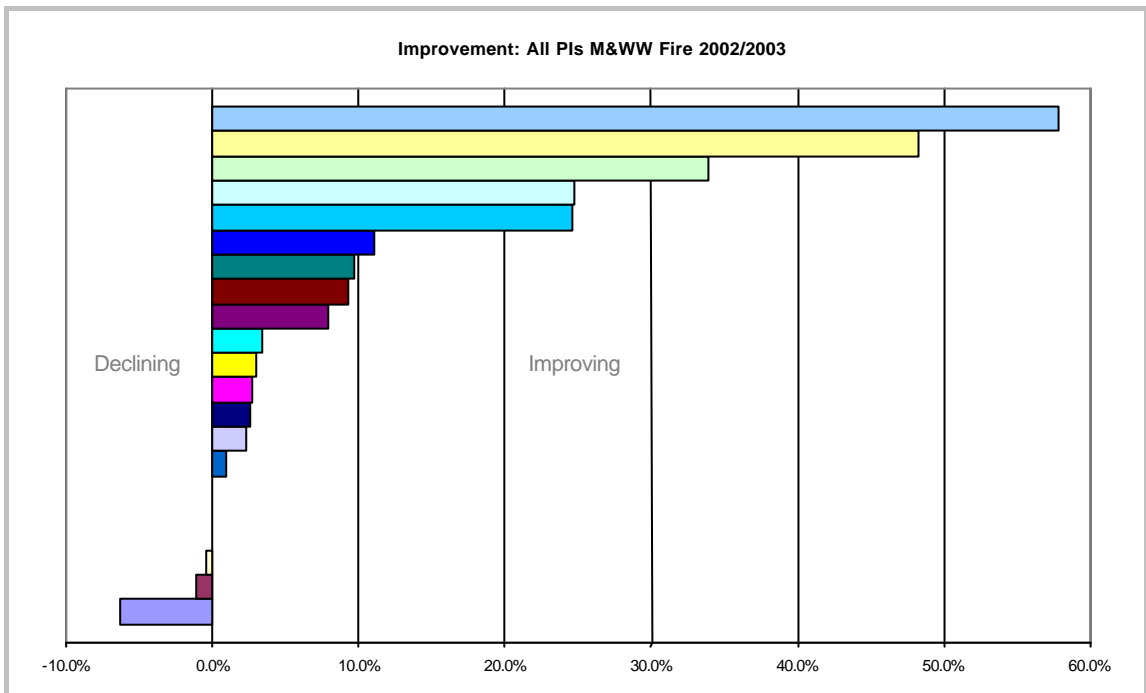
Recommendation	Comment	Impact
Update the performance management handbook which sets out how the performance management framework operates. This document should then be communicated to all officers involved in performance management and suitable training provided as required.	Implementation was dependent on the restructuring of the Brigade to the 6 'county' command areas. This was completed in April 2003.	The absence of an up-to-date performance management handbook means there is no clear and widely understood communication of what is expected of staff in relation to performance management.
Ensure robust local performance indicators (PIs) and targets are developed to supplement the national PIs so that the Brigade's performance across all corporate objectives can be assessed.	Not implemented. Officers consider further consultation is required with the 6 new command areas and possibly with the family group to establish meaningful local indicators.	Local issues and concerns may remain unreported.
Develop further benchmarking information and data. This will help to identify potential areas for improving services more easily.	Due to the changing control environment resulting from the Modernisation Agenda, little progress has been made in this area.	The measurement of performance is not currently aligned to the outcomes of the integrated risk management planning process.
Ensure best value reviews (BVRs) more robustly challenge the way services are currently provided. The aim must be to ensure the most efficient and effective procurement option is chosen.	A revised toolkit for BVRs has been produced but not yet applied.	The outcome of BVRs may be inconsistent and may not fully realise all opportunities.
Ensure action plans include Specific, Measurable, Attainable, Relevant and Time based (SMART) actions with financial consequences which are clearly linked to the targeted impact on services. These should be established consistently across the Brigade. Corporate arrangements must then be established to monitor action plans.	Progress has been delayed due to the internal reorganisation of the Brigade and industrial action.	Targets may become discredited through being unrealistic and/or not challenging. This in turn undermines the credibility of the Performance Management System.

Performance trends

Last year, we reported that overall performance in 2001/2002 had stayed the same or improved for almost 65% of PIs where year on year comparison was relevant. Examination of performance for 2002/2003 shows that this trend of continuing improvement has been maintained, with 90% of PIs which can be assessed on an annual basis staying the same or improving, compared with the reported performance for 2001/2002. This is a very creditable position given the level of disruption experienced over this period.

EXHIBIT 4: PERFORMANCE TREND

Overall performance is improving.



Whilst this overall trend is very encouraging, the key targets set by the Office of the Deputy Prime Minister (ODPM) for reducing the number of deaths and injuries (from accidental fires in dwellings) resulting from fires has not been realised. All fire authorities were required to aim to reduce the incidence of accidental fire-related deaths and injuries in the home by 20% averaged over the five year period to March 2004, compared with the average recorded in the five year period to March 1999.

Performance to date shows that following a significant increase in the period to 31 March 2001, both the number of deaths and injuries from accidental dwelling fires are reducing, although the overall trend remains above the 20% target set by the ODPM.

This information, however, has to be taken in the context that the overall number of deaths in any one year is relatively low. Nevertheless, the information should be continued to be monitored and analysed to identify what issues should be taken forward to the community fire safety programme.

EXHIBIT 5: NUMBER OF DEATHS PER 100,000 POPULATION

The overall trend remains above the Government target.

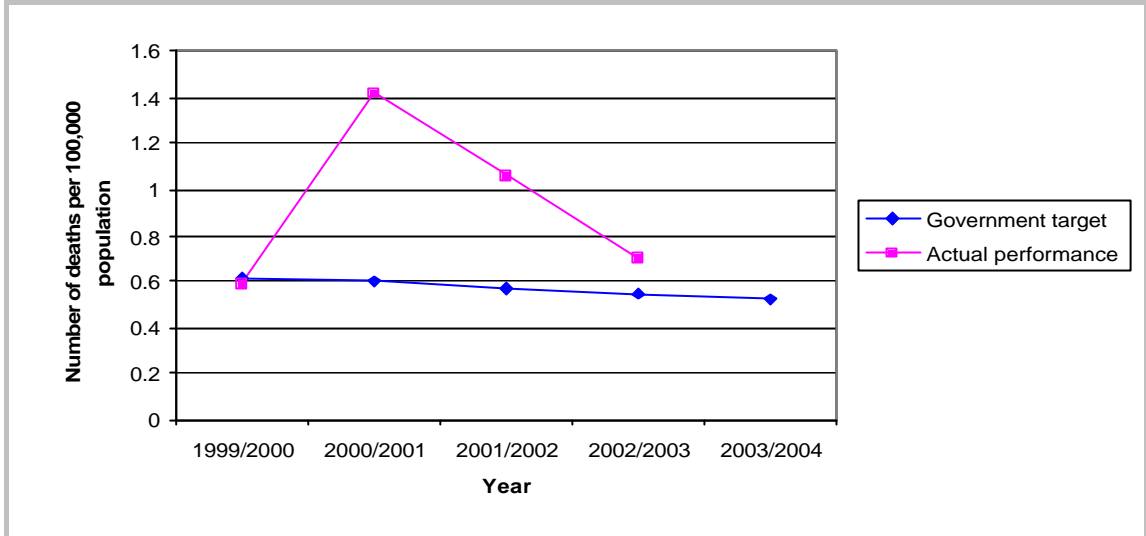
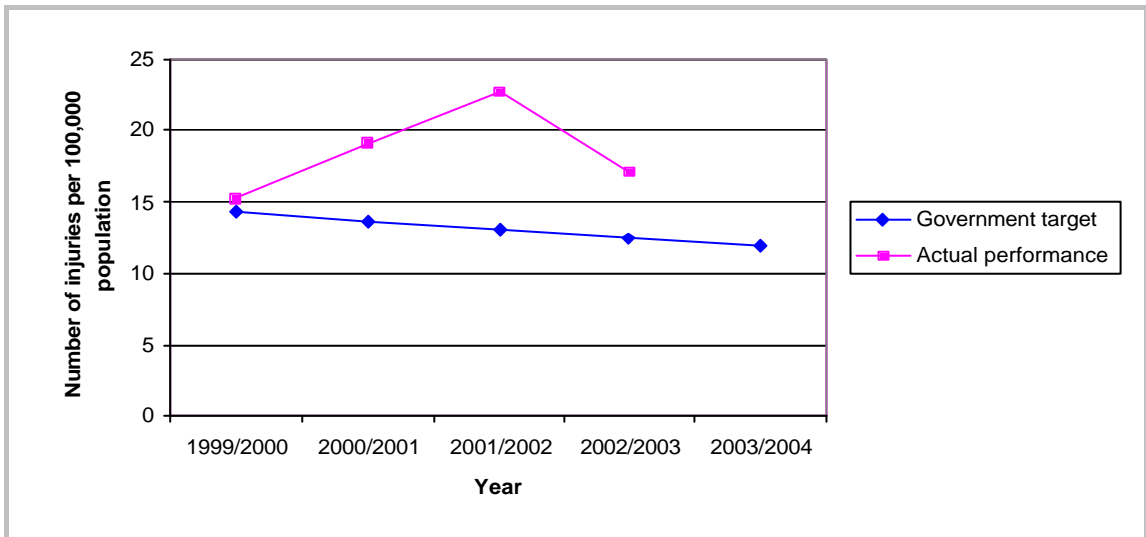


EXHIBIT 6: NUMBER OF INJURIES ARISING FROM ACCIDENTAL FIRES IN DWELLINGS

The overall trend remains above the Government target.



Note: target figures are based only on data for 1997/1998 and 1998/1999, as data is not available for the three preceding years.

Recommendations

R5 Review and action where appropriate recommendations not implemented from previous year's work.

R6 The trends on deaths and injuries resulting from fires should continue to be monitored to identify what issues should be taken forward to the fire safety programme.

Closing remarks

The agreed audit fee of £102,000 provides for the delivery of a programme of external audit work for the years 2002/2003 and 2003/2004 which meets the requirements of the Code of Audit Practice. I am required to keep the programme under review during the course of the audit and advise the officers and the Authority of any changing circumstances which may affect the core audit fee. At this point in time I am not aware of any issues which are likely to affect this fee.

I would like to take this opportunity to express my appreciation for the assistance received from members and officers during our work. Our aim is to provide a high standard of audit, which makes a practical and positive contribution to the work of the Authority. We recognise the continued value of your co-operation and support - this is very much appreciated.



Ceri Stradling
District Auditor

1 December 2003

Reports issued during the audit

- Audit Plan.
- Review of Procedures for the Letting and Management of Contracts.
- Interim Audit Report.
- Review of e-Government.

To follow

- Best Value Audit Report 2002/2003.
- Review of Working in Partnership.
- Issue of Audit Opinion.

Audit Certificate on Best Value Performance Plan

Certificate

I certify that I have audited Mid and West Wales Fire Authority's Best Value Performance Plan in accordance with Section 7 of the Local Government Act 1999 and the Audit Commission's Code of Audit Practice. I also had regard to supplementary guidance issued by the Audit Commission.

Respective responsibilities of the Authority and the auditor

Under the Local Government Act 1999 (the Act), the Authority is required to prepare and publish a best value performance plan summarising the Authority's assessments of its performance and position in relation to its statutory duty to make arrangements to secure continuous improvement to the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

The Authority is responsible for the preparation of the Plan and for the information and assessments set out within it. The Authority is also responsible for establishing appropriate performance management and internal control systems from which the information and assessments in its Plan are derived. The form and content of the Best Value Performance Plan are prescribed in Section 6 of the Act and statutory guidance issued by the Government.

As the Authority's auditor, I am required under Section 7 of the Act to carry out an audit of the Best Value Performance Plan, to certify that I have done so, and:

- to report whether I believe that the Plan has been prepared and published in accordance with statutory requirements set out in Section 6 of the Act and statutory guidance and, where appropriate, recommending how the Plan should be amended so as to accord with statutory requirements;
- to recommend:
 - where appropriate, procedures to be followed in relation to the Plan;
 - whether the Audit Commission should carry out a best value inspection of the Authority under Section 10 of the Local Government Act 1999;
 - whether the Secretary of State should give a direction under Section 15 of the Local Government Act 1999.

Opinion

Unqualified opinion

In my opinion, Mid and West Wales Fire Authority has prepared and published its Best Value Performance Plan in all significant respects in accordance with Section 6 of the Local Government Act 1999 and statutory guidance issued by the Government.

Basis of this opinion

For the purpose of forming my opinion whether the Plan was prepared and published in accordance with the legislation and with regard to statutory guidance, I conducted my audit in accordance with the Audit Commission’s Code of Audit Practice. In carrying out my audit work, I also had regard to supplementary guidance issued by the Audit Commission.

I planned and performed my work so as to obtain all the information and explanations which I considered necessary in order to provide an opinion on whether the Plan has been prepared and published in accordance with statutory requirements.

In giving my opinion, I am not required to form a view on the completeness or accuracy of the information or the realism and achievability of the assessments published by the Authority. My work therefore comprised a review and assessment of the Plan and, where appropriate, examination on a test basis of relevant evidence, sufficient to satisfy me that the Plan includes those matters prescribed in legislation and statutory guidance and that the arrangements for publishing the Plan complied with the requirements of the legislation and statutory guidance.

Included in the Plan are the Authority’s estimates for the year ending 31 March 2003. Actual results for the year are likely to be different from the figures reported, because events and circumstances frequently do not occur as expected, and the differences may be material. To the extent that figures included in the Plan are estimates, my audit work comprised an assessment as to whether the estimates made by the Authority had been properly compiled in all significant respects on the basis of the assumptions stated by the Authority, as at the date at which the Plan was prepared.


Where I have qualified my audit opinion on the Plan, I am required to recommend how the Plan should be amended so as to comply in all significant respects with the legislation and statutory guidance.

Recommendations on referral to the Audit Commission/Secretary of State

I am required each year to recommend whether, on the basis of my audit work, the Audit Commission should carry out a best value inspection of the Authority or whether the Secretary of State should give a direction.

On the basis of my work:

- I do not recommend that the Audit Commission should carry out a best value inspection of Mid and West Wales Fire Authority under Section 10 of the Local Government Act 1999.
- I do not recommend that the Secretary of State should give a direction under Section 15 of the Local Government Act 1999.

District Auditor’s signature:	
Date:	1 December 2003