

AGENDA ITEM NO.

WEST MIDLANDS FIRE AND CIVIL DEFENCE AUTHORITY

22ND NOVEMBER 2004

1. STATUTORY AUDIT OF THE BEST VALUE PERFORMANCE PLAN

Joint Report of the Chief Fire Officer, Treasurer and the Clerk

RECOMMENDED

1.1 THAT the Authority note the statutory opinion of the Authority's external auditors regarding the Authority's Best Value Performance Plan (BVPP) for 2004/2005 (see Appendix I attached).

1.2 THAT the Authority note the publication requirements stipulated by the external auditors set out in Appendix II.

2. PURPOSE OF REPORT

This report is submitted to inform Members of the Authority of the statutory process and outcome of the audit of the Authority's BVPP for 2004/2005 by the Authority's external auditors KPMG.

3. BACKGROUND

3.1 The Local Government Act 1999 requires that the Authority's auditor shall audit the Best Value Performance Plan for the purpose of establishing whether the plan was prepared and published in accordance with section 6 of the Act and any order or guidance under that section.

3.2 In relation to an Authority's Performance Plan, the auditor shall issue a report:-

3.2.1 certifying that they have audited the plan;

3.2.2 stating whether they believe that it was prepared and published in accordance with section 6 of the Act and any order or guidance under that section;

- 3.2.3 if appropriate, recommending how it should be amended so as to accord with section 6 of the Act and any order or guidance under that section;
 - 3.2.4 if appropriate, recommending procedures to be followed by the Authority in relation to the plan;
 - 3.2.5 recommending whether the Audit Commission should carry out a Best Value inspection of the Authority under section 10 of the Act, and
 - 3.2.6 recommending whether the Secretary of State should give a direction under section 15 of the Act.
- 3.3 An auditor shall send a copy of the report relating to an Authority's performance plan:-
- 3.3.1
 - to the Authority;
 - to the Audit Commission, and
 - if the report recommends that the Secretary of State give a direction under section 15 of the Act, to the Secretary of State.
 - 3.3.2 Copies of a report shall be sent in accordance with sub-section (5) of the Act:-
 - by 31st December of the financial year to which the relevant performance plan relates, or
 - by such other date as the Secretary of State may specify by order.
- 3.4 A Best Value Authority shall publish any report received in accordance with section 7(5)(a) of the Act.
- 3.5 - The Authority shall prepare a statement of any action which it proposes to take as a result of the report, and its proposed timetable.

- A statement required by subsection (3) of the Act shall be prepared:-
 - before the end of the period of 30 working days starting with the day on which the Authority receives the report,
 - or
 - if the report specifies a shorter period starting with that day, before the end of that period.

The Authority shall incorporate the statement in its next BVPP.

3.6 If the statement relates to a report which recommends that the Secretary of State give a direction under section 15 of the Act, the Authority shall send a copy of the statement to the Secretary of State:-

- before the end of the period of 30 working days starting with the day on which the Authority receives the report,
- or
- if the report specifies a shorter period starting with that day, before the end of that period.

3.7 A copy of KPMG's certificate and detailed report on the Authority's BVPP are attached as Appendix I to this report.

3.8 A copy of the Authority's proposed response and timetable in relation to the KPMG audit report is attached as Appendix II.

3.9 As detailed in statutory guidance from what is now the Office of the Deputy Prime Minister (ODPM Circular 10/99, paragraph 54), it is a requirement for the Authority's response to any audit and inspection reports to be published in the following year's BVPP. This requirement will be complied with when work begins on the BVPP for 2005/2006.

4. **EQUALITY AND DIVERSITY IMPLICATIONS**

There are no equality and diversity implications arising from this report.

5. **CORPORATE AIMS SUPPORTED**

The principal corporate aims supported by the information in this report are as follows.

1. To support the Fire Authority in meeting its statutory duties, standards and expectations.
12. To continuously improve the quality of service.
13. To improve channels of communication.

6. **LEGAL IMPLICATIONS**

The course of action recommended in this report does not raise issues which should be drawn to the attention of the Authority's Monitoring Officer.

7. **FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from this report.

BACKGROUND PAPERS

The Authority's Best Value Performance Plan for 2004/2005.
Best Value Audit Files.

F. J. E. SHEEHAN
CHIEF FIRE OFFICER

L. BATEMAN
TREASURER

F. N. SUMMERS
CLERK

Ref. AU32209041/AB/TB

APPENDIX I**Appendix C****Auditor's Statutory Report on the Best Value Performance Plan****Auditor's Report to West Midlands Fire and Civil Defence Authority
on its Best Value Performance Plan for the 2004/5 Financial Year***Certificate*

We certify that we have audited West Midlands Fire and Civil Defence Authority's Best Value Performance Plan ("the Plan") in accordance with section 7 of the Local Government Act 1999 and the Audit Commission's *Code of Audit Practice*. We also had regard to supplementary guidance issued by the Audit Commission.

This report is made solely to West Midlands Fire and Civil Defence Authority, in accordance with Section 7 of the Act. Our audit work has been undertaken so that we might state to the Authority, to the Audit Commission and (where necessary) to the Secretary of State those matters we are required to state to them in such an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than (i) the Authority, for our audit work, for this report, or for the opinions we have formed, (ii) the Audit Commission, for our recommendation under section 7(4)(e) and (iii) the Secretary of State, for our recommendation (if positive) under section 7(4)(f) of the Act.

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(s), we are required, under section 7 of the Act, to carry out an audit of the Best Value Performance Plan, to certify that we have done so, and:

- to report whether we 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

Basis of this opinion

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

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

In giving our opinion, we are 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. Our work therefore comprised a review and assessment of the Plan and, where appropriate, examination on a test basis of relevant evidence, sufficient to satisfy ourselves 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.

Where we have qualified our audit opinion on the plan we are required to recommend how the plan should be amended so as to comply in all significant respects with the legislation and statutory guidance.

Opinion

Unqualified opinion

In our opinion, West Midlands 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.

We planned and performed our work so as to obtain all the information and explanations that we considered necessary in order to enable us to determine whether or not to make recommendations in this report on the matters that came to our attention during the audit. However, our work cannot be relied upon to identify every weakness or opportunity for improvement. In particular, it has not necessarily covered the same areas as a Best Value inspection.

For this purpose, our audit included a review and assessment, and where appropriate, examination on a test basis of evidence relevant to the adequacy of the systems set in place by the Authority for collecting and recording specified performance information; and the testing of specific performance indicators

Recommendations on referral to the Audit Commission/Secretary of State

We are required each year to recommend whether, on the basis of our 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 our work:

- We do not recommend that the Audit Commission should carry out a Best Value inspection of West Midlands Fire and Civil Defence Authority under section 10 of the Local Government Act 1999;
- We do not recommend that the Secretary of State should give a direction under section 15 of the Local Government Act 1999.

KPMG LLP

Signature

Date 15/11/2004

KPMG LLP, Chartered Accountants

APPENDIX II

PROPOSED PUBLICATION METHODOLOGY FOR:-

THE KPMG CERTIFICATION OF THE BVPP FOR 2005/2006

to all Members of the Authority

to all employees via the Intranet

to the public via the Internet

to be published in the BVPP for 2005/2006

All to be completed by 31st December 2004 except for the last item which will be published in the BVPP for 2005/2006 by 30th June 2005.