

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

28 JUNE 2010

1. ABOLITION OF COMPREHENSIVE AREA ASSESSMENT

Report of the Chief Fire Officer.

RECOMMENDED

- 1.1 THAT the Authority notes that Comprehensive Area Assessment (CAA) has been abolished with immediate effect.
- 1.2 THAT the Authority notes how the Audit Commission intend to bring work on CAA to a conclusion.

2. PURPOSE OF REPORT

- 2.1 This report is submitted to inform Members of the Coalition Government's decision to abolish CAA.
- 2.2 A letter from Gareth Davies, a Managing Director at the Audit Commission, is appended to this covering report. This letter outlines how the Commission will bring CAA to a close and continue to deliver audit in line with its responsibilities as set out in the Code of Audit Practice.

3. BACKGROUND

- 3.1 CAA was introduced in April 2009 as the successor to Comprehensive Performance Assessment (CPA) and was designed to be an independent local assessment of how well all public services were being served by their local public services. The CAA process was co-ordinated by the Audit Commission.
- 3.2 The Fire and Rescue Authority (FRA) was judged to be 'performing well' in 2008/2009 and scored 3 out of 4 in its overall CAA judgement.

- 3.3 The new Coalition Government has confirmed that CAA has been abolished and all work currently ongoing in support of 2009/10 judgements should cease with immediate effect. A letter from Gareth Davies, a Managing Director, at the Audit Commission explains the current position and is attached as Appendix 1.
- 3.4 The Audit Commission had started its work in support of the Authority's CAA judgement for the financial year 2009/2010 and had produced its draft use of resources report. However, following the Government's decision, no further work will be undertaken on this or any other aspect of CAA.
- 3.5 Audit Commission appointed auditors will continue to deliver audit in line with the statutory Code of Audit Practice. This work includes the requirement to deliver a value for money conclusion and an opinion on the financial statements. An Annual Audit Letter will continue to be produced. This work and the expectation of when it will be delivered has been discussed and agreed with senior officers in the Service.
- 3.6 It is not known at this time what the future approach to inspection will be. Discussions between the Government and other key stakeholders are ongoing. Full consultation regarding possible approaches will be undertaken and will be the subject of a further report(s) to Authority Members.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required. The matters contained in this report will not lead to and/or do not relate to a policy change.

5. **LEGAL IMPLICATIONS**

An integral part of CAA was to provide assurance regarding the implementation of the requirements detailed within the Fire and Rescue Service National Framework. An alternative approach to enable assurance to be provided has yet to be agreed between Communities and Local Government (CLG) and the Audit Commission.

6. **FINANCIAL IMPLICATIONS**

The fees associated with this year's Audit Commission inspection have previously been agreed by the Authority. The abolition of CAA may lead to the reimbursement of a proportion of the previously agreed fee as a consequence of agreed work not being carried out. The abolition of CAA could impact upon the future external audit fees and could result in a reduced external audit fee in the future. Guidance regarding part reimbursement of fees, or otherwise and the structure of future fees is being sought from the Audit Commission and will be clarified prior to this report being finalised.

BACKGROUND PAPERS

Audit Commission publication, May 2010, Comprehensive Area Assessment Framework.

Authority Report 19 April 2010 - External Audit Plan and Scale of Fees 2010/2011.

Audit Commission draft judgement report April 2010, West Midlands Fire & Rescue Authority Use of Resources.

Audit Commission publication, July 2009 - Proposed Work Programme and Scale of Fee 2010/2011 and indicative fee proposals 2011/2012.

Executive Committee report – 25th October 2004.

Fire and Rescue Service Circular 28/2004.

Draft Best Value Circular – Guidance on Best Value and Performance Improvement for Fire and Rescue Authorities in England.

VIJ RANDENIYA
CHIEF FIRE OFFICER

APPENDIX 1



28 May 2010

Chief Fire Officers
All English Fire & Rescue Authorities

Direct line 0844 798 2467
Email g-davies@audit-commission.gov.uk

Dear Colleague,

I am writing to let you know how we propose to bring work on CAA to a conclusion in the light of the new government's recent announcement.

All work on updating the area assessment and organisational assessment will cease with immediate effect. These assessments on the Oneplace website will not now be updated. We will not be reporting new red or green flags in the area assessment nor updating the text around existing flags.

We will not be issuing new scores for the use of resources assessments, the managing performance assessments or the overall organisational assessments. We are talking to CLG about how we discharge our role assuring the implementation of the fire and rescue service National Framework. This may involve some limited further work in some authorities this year. We will write to you again as soon as it is agreed how we will be proceeding.

Your appointed auditor will continue to deliver the audit in line with the statutory Code of Audit Practice under which they are required to give a value for money conclusion alongside their opinion on the financial statements. Auditors will need to complete such work as they consider necessary to enable them to give this conclusion, but in practice we envisage they will be able to discharge this responsibility using work completed to date for the use of resources assessment. Your auditor will report any significant findings in the annual audit letter but will not be reporting a score for the use of resources.

We have already announced that we are reviewing the approach that auditors will take in future to the value for money conclusion from 2010/11.

We are in discussions with the government, the LGA and other representative bodies about the future approach to inspection.

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Your CAA Lead and appointed auditor will of course be available to discuss the practical implications of these changes. You can also phone our helpline on 08450 522616. I would like to thank you for your cooperation with our staff over the short life of CAA. We will of course consult you about the future approach to audit and inspection.

Yours sincerely



Gareth Davies
*Managing Director, Local Government, Housing & Community Safety
Audit Commission*