

Annual Governance Report

West Midlands Fire & Rescue Authority

Audit 2008/09

Date

Contents

| | |
|--|-----------|
| Key messages | 3 |
| Next steps | 5 |
| Financial statements | 6 |
| Use of resources | 10 |
| Appendix 1 – Independent auditor’s report to Members of West Midlands Fire & Rescue Authority | 11 |
| Appendix 2 – Adjusted amendments to the accounts | 14 |
| Appendix 3 – Draft letter of representation | 15 |
| Appendix 4 – Value for money conclusion | 18 |
| Appendix 5 – Action plan | 20 |

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.
-

Key messages

This report summarises the findings from the 2008/09 audit which is substantially complete. It includes the messages arising from my audit of your financial statements and the results of the work I have undertaken to assess how well you use and manage your resources to deliver value for money and better and sustainable outcomes for local people.

| Financial Statements | Results | Page |
|---|----------------|-------------|
| Unqualified audit opinion | Yes | 8 |
| Financial statements free from material error | Yes | 8 |
| Adequate internal control environment | Yes | 8 |
| Use of resources | Results | Page |
| Use of resources judgements | Yes | 11 |
| Arrangements to secure value for money | Yes | 11 |

Audit opinion

- 1 I plan to issue an audit report including an unqualified opinion on the financial statements. Appendix 1 contains a copy of my draft audit report.

Audit opinion

- 2 Subject to satisfactory clearance of outstanding matters, I plan to issue an unqualified opinion on the financial statements. The issues outstanding are:
 - Valuation of the Authority's Buildings
 - Restatement of prior year comparators
 - Final review of financial statements once amended
 - Clearance of final review points.

Financial statements

- 3 We are required to report to you all unadjusted misstatements that we have identified during the course of our audit, other than those that are clearly trivial nature. From our work we have identified the following error:
 - The auditors of the West Midlands Local Government Pension Scheme have identified that the value of the total scheme assets as determined by the actuary are overstated by approximately 0.8%. This difference had primarily arisen on the Private Equity, infrastructure and real estate funds where the actual fall in asset values between

December 2008 and March 2009 was greater than estimated by the actuary. As such pension assets should be reduced by £264k to £32.8m. The Authority had prepared their accounts based on the figures provided by the actuary.

- A misclassification within the Statement of Recognised Gains and Losses of £1.679m

Use of resources

- 4 The Authority's use of resources theme scores are currently under review by the National Quality Assurance process. This is due to be finalised by the 11th September 2009 and we will share scores with the Authority at that point.
- 5 We have provided interim feedback to the Authority based on our assessment. Our initial views (subject to national moderation) for the three themes, and the underlying KLOE, are summarised in Appendix 4.

Audit Fees

- 6 We expect to deliver the audit to the agreed audit fee for 2008-09. However, we will revisit the fee once we have concluded our financial statement and use of resources work and will report back to you if there are any proposed changes to the agreed fee.

Next steps

This report identifies the key messages that you should consider before I issue my financial statements opinion, value for money conclusion, and audit closure certificate. It includes only matters of governance interest that have come to my attention in performing my audit. My audit is not designed to identify all matters that might be relevant to you.

7 I ask the Authority to:

- consider the matters raised in the report before approving the financial statements (pages 8 to 10);
- take note of the adjustments to the financial statements which are set out in this report (Appendix 2);
- take note of the VFM Conclusion (Appendix 4);
- approve the letter of representation on behalf of the Authority before I issue my opinion and conclusion (Appendix 3); and
- agree your response to the proposed action plan (Appendix 5).

Financial statements

The West Midlands Fire & Rescue Authority financial statements and annual governance statement are important means by which the Authority accounts for its stewardship of public funds. As members you have final responsibility for these statements. It is important that you consider my findings before you adopt the financial statements and the annual governance statement.

Opinion on the financial statements

- 8** Subject to satisfactory clearance of outstanding matters, I plan to issue an audit report including an unqualified opinion on the financial statements. The issues outstanding are:
- Valuation of the Authority's Buildings
 - Restatement of prior year comparators
 - Final review of financial statements once amended
 - Clearance of final review points.
- 9** Appendix 1 contains a copy of my draft audit report.

Errors in the financial statements

- 10** We are required to report to you all unadjusted misstatements that we have identified during the course of our audit, other than those that are clearly trivial nature. From our work we have identified the following errors:
- The auditors of the West Midlands Local Government Pension Scheme have identified that the value of the total scheme assets as determined by the actuary are overstated by approximately 0.8%. This difference had primarily arisen on the Private Equity, infrastructure and real estate funds where the actual fall in asset values between December 2008 and March 2009 was greater than estimated by the actuary. As such pension assets should be reduced by £264k to £32.8m. We invite the Authority to amend their accounts for this error. If you choose not to make this amendment we will require representations as to your reasons for this decision.
 - Statement of Recognised Gains and Losses; The SORP states that surplus or deficits arising from the revaluation of fixed assets should be shown under this heading. The revaluation gain of £1,679K is currently shown under any other gains or losses and should be re-classified. The Authority has amended for this error.
- 11** During the audit we highlighted a number of opportunities to improve the readability of the accounts, including clarification of accounting policies and notes to the accounts and corrected various errors. We have not detailed these here as these did not have a material impact on the financial results reported in the accounts.
- 12** The Authority is in the process of pulling together a list of all amendments to the draft approved accounts and we will review this when available.

Material weaknesses in internal control

- 13** Our audit did not identify any material weaknesses in control. However, we have highlighted two areas for the Authority to consider.
- 14** In our interim report to the last Audit Committee we reported concerns over retrospective approvals for payments over £50,000. Our additional testing at the financial statements audit confirmed that whilst retrospective finance approvals continue to be given, in all cases budget holder approval had been given in the first instance. We recommend that the Authority ensures that finance approves these payments prior to them being made.
- 15** The Authority currently has its payroll system reviewed by its internal auditors on a bi-annual basis with pensions reviewed in the interim year. Payroll represents a significant element of the Authority's expenditure and system controls should be reviewed on an annual basis.
- 16** In agreement with the Audit Commission, Internal Audit moved to a bi-annual full audit for key financial systems with inter years being a high level audit with lower sample sizes. We have now had the opportunity to review the interim work programme for the accounts payable review and would advise that the Authority seek a higher level of assurance than this approach would provide. We recommend that a full audit is carried out each year.
- 17** Whilst the Audit Commission cannot prescribe the programme of work to be carried out by Internal Audit, continued dialogue between Internal Audit and Audit Commission will ensure that any detailed financial systems reviews carried out meet the requirements of external audit in order for reliance to be placed on them. Should any changes be required to the approved audit programme, the approval of the Audit Committee will be sought by internal audit.

Letter of representation

- 18** Before I issue my opinion, auditing standards require me to obtain appropriate written representations from you and management about your financial statements and governance arrangements. Appendix 3 contains the draft letter of representation I seek to obtain from you.

Accounting practice and financial reporting

19 I consider the qualitative aspects of your financial reporting. Table 1 contains the issues I want to raise with you.

Table 1

| Issue | Recommendation | | | | | | | | | | | | | | | |
|--|-----------------|-----------------|-----------------|-----------|-------|-------|--------|--------|--------|-------------|---------|----------|----------------------------|--------|--------|--|
| <p>Comparator Balances</p> <p>The Authority have restated their comparative 2007-08 balances for debtors, creditors and cash as follows:</p> <table border="1" data-bbox="169 763 772 1079"> <thead> <tr> <th></th> <th>Original Amount</th> <th>Restated Amount</th> </tr> </thead> <tbody> <tr> <td>Debtors R</td> <td>3,265</td> <td>7,734</td> </tr> <tr> <td>Cash R</td> <td>28,532</td> <td>28,638</td> </tr> <tr> <td>Creditors R</td> <td>(6,904)</td> <td>(11,479)</td> </tr> <tr> <td>No effect on Balance Sheet</td> <td>25,621</td> <td>25,621</td> </tr> </tbody> </table> <p>The Authority consider that in order to be consistent with Whole of Government Accounts it is fundamental to restate the 2007-08 comparators.</p> <p>The adjustments all relate to balances held with Sandwell MBC and were accounted for on a net basis in 2007-08.</p> | | Original Amount | Restated Amount | Debtors R | 3,265 | 7,734 | Cash R | 28,532 | 28,638 | Creditors R | (6,904) | (11,479) | No effect on Balance Sheet | 25,621 | 25,621 | <p>In our view, the amendments made to comparative balances are not prior period adjustments as per FRS3. The comparative balances should remain as per 07/08 accounts and a disclosure note included in the accounts to highlight the impact for WGA if the accounts had been prepared on a similar basis in 2007-08.</p> <p>We invite the Authority to</p> <ul style="list-style-type: none"> review the comparators shown in the accounts and restate them to the original audited figures. Provide a detailed disclosure for meeting WGA requirements. |
| | Original Amount | Restated Amount | | | | | | | | | | | | | | |
| Debtors R | 3,265 | 7,734 | | | | | | | | | | | | | | |
| Cash R | 28,532 | 28,638 | | | | | | | | | | | | | | |
| Creditors R | (6,904) | (11,479) | | | | | | | | | | | | | | |
| No effect on Balance Sheet | 25,621 | 25,621 | | | | | | | | | | | | | | |

| Issue | Recommendation |
|---|--|
| <p>Valuation of Assets</p> <p>The WMFRA have carried out an impairment review of assets which has highlighted that assets revalued in 2008 needed to be downvalued. However, the same report also has highlighted that certain assets may potentially be significantly undervalued.</p> <p>Accounting standards require that assets to be revalued at least every five years and more frequently where assets are disposed of, values are known to be volatile or a specific event has led to a material change in value.</p> <p>The risk is that assets are not revalued and therefore asset values are misstated with a knock-on effect on the depreciation and impairment charges and the gain or loss on disposal of fixed assets.</p> <p>We are awaiting a response from the valuers confirming the appropriate use of BCIS indices to gage the potential increase in value of specialised assets. Use of the BCIS indices used in the valuers report presently indicate a 11.6% understatement of specialised assets. This is needed prior to the opinion being given.</p> | <p>We invite the Authority should consider a rolling programme of valuations to ensure that valuations are kept up to date.</p> |
| <p>Use of New Loans</p> <p>During the year the Authority took out £3.9m as a loan from Sandwell MBC increasing their borrowing.</p> <p>In 2008-09 the Authority:</p> <ul style="list-style-type: none"> • Paid 6.33% on debt outstanding and • Received 5.53% on cash balances held. <p>Given the level of cash balances held of £23m, we invite the Authority to consider whether the policy to drawn down fully against the capital financing requirement continues to remain appropriate.</p> | <p>We invite the Authority to consider whether the policy to drawn down fully against the capital financing requirement continues to remain appropriate.</p> |

Use of resources

I am required to conclude 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.

Value for money conclusion

- 20** I assess 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 4.
- 21** I intend to issue an unqualified conclusion stating that the Authority had adequate arrangements to secure economy, efficiency and effectiveness in the use of resources. Appendix 1 contains the wording of my draft report.

Appendix 1 – Independent auditor’s report to Members of West Midlands Fire & Rescue Authority

Independent auditor’s report to the Members of West Midlands Fire & Rescue Authority

Opinion on the financial statements

I have audited the accounting statements, the Firefighters’ Pension Fund accounting statements and related notes of West Midlands Fire & Rescue Authority for the year ended 31 March 2009 under the Audit Commission Act 1998. The accounting statements comprise the Income and Expenditure Account, Statement of Movement on the General Fund Balance, Balance Sheet, Statement of Total Recognised Gains and Losses, Cash Flow Statement, and the related notes. The firefighters’ pension fund accounting statements comprise the Fund Account, the Net Assets Statement and the related notes. The financial statements and firefighters’ pension fund accounting statements have been prepared under the accounting policies set out within them.

This report is made solely to the members of West Midlands Fire & Rescue Authority in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 49 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of the Treasurer and auditor

The Treasurer’s responsibilities for preparing the financial statements, including the firefighters’ pension fund accounting statements, in accordance with applicable laws and regulations and the Code of Practice on Local Authority Accounting in the United Kingdom 2008 are set out in the Statement of Responsibilities.

My responsibility is to audit the accounting statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the accounting statements, the firefighters’ pension fund accounting statements and related notes present fairly, in accordance with applicable laws and regulations and the Code of Practice on Local Authority Accounting in the United Kingdom 2008:

- the financial position of the Authority and its income and expenditure for the year; and
- the financial transactions of its firefighters’ pension fund during the year and the amount and disposition of the fund’s assets and liabilities, other than liabilities to pay pensions and other benefits after the end of the scheme year.

I review whether the governance statement reflects compliance with ‘Delivering Good Governance in Local Government: A Framework’ published by CIPFA/SOLACE in June 2007. I report if it does not comply with proper practices specified by CIPFA/SOLACE or if the statement is misleading or

Appendix 1 – Independent auditor’s report to Members of West Midlands Fire & Rescue Authority

inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the governance statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Authority’s corporate governance procedures or its risk and control procedures.

I read other information published with the accounting statements, the firefighters’ pension fund accounting statements and related notes and consider whether it is consistent with the audited accounting statements, the firefighters’ pension fund accounting statements and related notes. This other information comprises the Explanatory Foreword and the Annual Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the accounting statements, the firefighters’ pension fund accounting statements and related notes. My responsibilities do not extend to any other information.]

Basis of audit opinion

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounting statements, the firefighters’ pension fund accounting statements and related notes. It also includes an assessment of the significant estimates and judgments made by the Authority in the preparation of the accounting statements, the firefighters’ pension fund accounting statements and related notes, and of whether the accounting policies are appropriate to the Authority’s circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounting statements, the firefighters’ pension fund accounting statements and related notes are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounting statements, the firefighters’ pension fund accounting statements and related notes.

Opinion

In my opinion:

- The accounting statements and related notes present fairly, in accordance with applicable laws and regulations and the Code of Practice on Local Authority Accounting in the United Kingdom 2008, the financial position of the Authority as at 31 March 2009 and its income and expenditure for the year then ended; and
- The Firefighters’ Pension Fund accounting statements present fairly, in accordance with the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007, the financial transactions of the firefighters’ pension fund during the year ended 31 March 2009 and the amount and disposition of the fund’s assets and liabilities as at 31 March 2009, other than liabilities to pay pensions and other benefits after the end of the scheme year.

Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

Authority’s Responsibilities

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance and regularly to review the adequacy and effectiveness of these arrangements.

Auditor’s Responsibilities

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Authority for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for fire and rescue authorities. I report if significant matters have come to my attention which prevent me from concluding that the Authority has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Conclusion

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for fire and rescue authorities specified by the Audit Commission and published in May 2008 and updated in February 2009, and the supporting guidance, I am satisfied that, in all significant respects, West Midlands Fire & Rescue Authority made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2009.

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Mark Stocks
District Auditor
(Officer of the Audit Commission)

Appendix 2 – Adjusted amendments to the accounts

The following misstatements were identified during the course of my audit and the financial statements have been adjusted by management. I bring them to your attention to assist you in fulfilling your governance responsibilities.

Table 2

| | | Income and Expenditure Account | | Balance Sheet | |
|--------------------------|--|--------------------------------|------------|---------------|------------|
| Adjusted misstatements | Nature of Adjustment | Dr £000s | Cr £000s | Dr £000s | Cr £000s |
| STRGL £1,679k | The SORP states that surplus or deficits arising from the revaluation of fixed assets should be shown under this heading. The revaluation gain of £1,679K is currently shown under any other gains or losses and should be re-classified | N/A | N/A | N/A | N/A |

Appendix 3 – Draft letter of representation

Dear Sirs

West Midlands Fire & Rescue Authority – Audit for the year ended 31 March 2009

We confirm to the best of our knowledge and belief, having made appropriate enquiries of officers of West Midlands Fire & Rescue Authority, the following representations given to you in connection with your audit of the Fire Authority's financial statements for the year ended 31 March 2009.

We acknowledge our responsibility for preparing the financial statements in accordance with the Code of Practice for Local Authority Accounting in the United Kingdom, which present fairly the financial position and financial performance of the Authority, and for making accurate representations to you.

The Fire Authority has no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

Specific representations

There are no other material amounts relating to unfunded liabilities, curtailments or settlements of past service costs relating to pension provision, other than those which have been properly recorded and disclosed in the financial statements.

The Fire Authority holds no intangible assets or financial instruments.

[representation if error re pensions is not amended]

Supporting records

All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Fire Authority have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all Committee and Authority meetings have been made available to you.

Fair Values

We confirm the reasonableness of the significant assumptions within the financial statements.

Compensating Arrangements

There are no formal or informal compensating balancing arrangements with any of our cash and investment accounts.

Related party transactions

We confirm the completeness of the information provided regarding the identification of related parties.

The identity of, and balances and transactions with, related parties have been properly recorded and, where appropriate, adequately disclosed in the financial statements.

Contingent liabilities

There are no other contingent liabilities, other than those that have been properly recorded and disclosed in the financial statements. In particular:

- there is no significant pending or threatened litigation, other than that already disclosed in the financial statements;
- there are no material commitments or contractual issues, other than those already disclosed in the financial statements; and
- no financial guarantees have been given to third parties.

Law, regulations and codes of practice

There are no instances of non-compliance with laws, regulations and codes of practice, likely to have a significant effect on the finances or operations of the Fire Authority.

In all material respects, the expenditure and income disclosed in the financial statements has been applied to purposes intended by Parliament and the financial transactions conform to the authorities, which govern them.

The Fire Authority has complied with all aspects of contractual arrangements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with the requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

Irregularities

We acknowledge our responsibility for the design and implementation of internal control systems to prevent and detect error.

There have been no:

- irregularities involving management or employees, who have significant roles in the system of internal accounting control;

Appendix 3 – Draft letter of representation

- irregularities involving other employees that could have a material effect on the financial statements;
- communications from regulatory agencies concerning non-compliance with, or deficiencies on, financial reporting practices, which could have a material effect on the financial statements.

We have no knowledge of fraud, or suspected fraud, which could have a material effect on the financial statements.

Post balance sheet events

Since the date of approval of the financial statements by Members of the Fire Authority no additional significant post balance sheet events have occurred, which would require additional adjustment or disclosure in the financial statements.

Signed on behalf of West Midlands Fire & Rescue Authority

Signed

Name

Position

Audit Committee Chair

Chief Fire Officer

Treasurer

Date 21 September 2009

Appendix 4 – Value for money conclusion

The following tables summarise the key findings and conclusions for each of the three Use of Resources themes.

Managing finances

| | |
|--|------------|
| KLOE 1.1 (financial planning) | |
| VFM criterion met | Yes |
| Key findings and conclusions | |
| <ul style="list-style-type: none"> • The FRA has adequate arrangements for integrating financial planning with strategic and service planning processes on a medium- to long-term basis. • WMFRA has a track record of operating within its budget while maintaining good service performance. • It has a high level of reserves and its MTFP indicates financial stability over the medium term. | |
| KLOE 1.2 (understanding costs and achieving efficiencies) | |
| VFM criterion met | Yes |
| Key findings and conclusions | |
| <ul style="list-style-type: none"> • The FRA has a satisfactory understanding of its overall costs against performance. In particular, it considers its net expenditure per head of £42.07 against other Mets and considers the real term changes in net expenditure over efficiency savings. • The FRA's net expenditure and efficiency savings are comparable to those of similar sized authorities. | |
| KLOE 1.3 (financial reporting) | |
| VFM criterion met | Yes |
| Key findings and conclusions | |
| <ul style="list-style-type: none"> • Budget monitoring and forecast information is reliable, relevant and understandable. • Variations in financial performance are identified and corrective action implemented in a timely manner. | |

Appendix 4 – Value for money conclusion

Governing the business

| | |
|--|------------|
| KLOE 2.2 (data quality and use of information) | |
| VFM criterion met | Yes |
| Key findings and conclusions | |
| <ul style="list-style-type: none"> • WMFRS have ensured that it produces good quality data (that is, it is: accurate, valid, reliable, timely, relevant and complete). • Our spot checks have not given rise to any concerns over the data that is produced. | |
| KLOE 2.3 (good governance) | |
| VFM criterion met | Yes |
| Key findings and conclusions | |
| <ul style="list-style-type: none"> • Policies and procedures are in place to support good governance and these have been communicated to staff. • The FRA provides induction and training to members in addition to the LG training offered. | |
| KLOE 2.4 (risk management and internal control) | |
| VFM criterion met | Yes |
| Key findings and conclusions | |
| <ul style="list-style-type: none"> • The FRA has adequate risk management arrangements in place. • Systems of internal control including counter fraud and corruption arrangements are also adequate. | |

Managing resources

| | |
|--|------------|
| KLOE 3.3 (workforce planning) | |
| VFM criterion met | Yes |
| Key findings and conclusions | |
| The FRA has appropriate arrangements to ensure that it has a productive and skilled workforce. Training & development includes Operational and people development and aims to create realism in training such as fire behaviour units. | |

Appendix 5 – Action plan

| Page no. | Recommendation | Priority 1 = Low 2 = Med 3 = High | Responsibility | Agreed | Comments | Date |
|---|--|--|----------------|--------|----------|------|
| Annual Governance Report 2008/09 - Recommendations | | | | | | |
| 9 | We invite the Authority to <ul style="list-style-type: none"> review the comparators shown in the accounts and restate them to the original audited figures. Provide a detailed disclosure for meeting WGA requirements. | 3 | | | | |
| 9 | We invite the Authority should consider a rolling programme of valuations to ensure that valuations are kept up to date. | 2 | | | | |
| 9 | We invite the Authority to amend the accounts for the understatement of pension liabilities or provide representations why it considers that an amendment is not required | 3 | | | | |
| 10 | We invite the Authority to consider if they are receiving sufficient assurance on an annual basis on payroll and other key financial systems and if necessary consider an amendment to their internal audit programme. | 2 | | | | |
| 10 | We invite the Authority to consider whether the | 2 | | | | |

Appendix 5 – Action plan

| Page no. | Recommendation | Priority 1 = Low 2 = Med 3 = High | Responsibility | Agreed | Comments | Date |
|----------|--|--|----------------|--------|----------|------|
| | policy to draw down fully against the capital financing requirement continues to remain appropriate. | | | | | |

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.

Copies of this report

If you require further copies of this report, or a copy in large print, in Braille, on tape, or in a language other than English, please call 0844 798 7070.

© Audit Commission 2009

For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 0844 798 1212 Fax: 0844 798 2945 Textphone (minicom): 0844 798 2946

www.audit-commission.gov.uk
