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Equality and Social Justice Committee Inquiry into fire and rescue authorities

- 1 The Auditor General for Wales welcomes the opportunity to respond to the Senedd Equality and Social Justice Committee's Inquiry into fire and rescue authorities. The evidence below summarises the duties of the Auditor General in relation to fire and rescue authorities. It also summarises the work I have undertaken in recent years under these powers and duties, together with some findings from this work that I believe may be relevant to the Committee's Inquiry.
- 2 I note that part of the Inquiry's Terms of Reference relates to "The changes needed to strengthen current arrangements for inspection and audit, including the role of external bodies including the Auditor General for Wales." Given my role, much of my evidence focuses on this aspect of the Committee's Terms of Reference.

The duties of the Auditor General in relation to fire and rescue authorities

- 3 The sections below summarise the main duties of the Auditor General in relation to fire and rescue authorities in Wales. These duties provide a relatively comprehensive if rather complex set of duties covering the audit of accounts, arrangements to secure value for money and continuous improvement, application of the sustainable development principle and studies designed to make recommendations to improve value for money in the discharge of functions and to improve financial or other management. (The Auditor General also has a power to undertake other studies of services.)
- 4 I am aware that the Welsh Government plans to replace the improvement regime set out in the Local Government (Wales) Measure 2009 for fire and rescue authorities. Although as far as I am aware the details of the replacement regime have not yet been finalised.

Audit of Accounts

- 5 Fire and rescue authorities, as local government bodies, fall under the requirements of the Public Audit (Wales) Act 2004 in relation to the audit of accounts. Under this Act the Auditor General is required to audit the accounts of fire and rescue authorities annually. Section 17 of the 2004 Act requires that in doing so he must satisfy himself:
- that the accounts are prepared in accordance with the Accounts & Audit (Wales) Regulations (made under section 39);
 - that they comply with the requirements of all other statutory provisions applicable to the accounts;
 - that proper practices have been observed in the compilation of the accounts;
 - that the body has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; (see further details on this below under the section 'performance audit').

Performance Audit

- 6 Performance audit work at fire and rescue authorities is undertaken under a range of provisions of legislation. The Local Government (Wales) Measure 2009 still applies to fire and rescue authorities, whilst it no longer applies to principal councils or national parks. Under the Measure, fire and rescue authorities are required to put in place arrangements to make continuous improvements, including related plans and reports, and the Auditor General has to assess whether each authority has met these requirements.
- 7 This includes an audit of each fire and rescue authority's annual improvement plan, and an audit of each fire and rescue authority's annual performance report. Following these audits the Auditor General issues a certificate including his opinion as to whether or not each fire and rescue authority has complied with the requirements of the Measure in respect of each document. Under the Measure, the Auditor General is also required to undertake an assessment and state whether on the basis of that assessment he believes that each fire and rescue authority is likely to meet the requirements of Part 1 of the Measure, which chiefly concern putting in place arrangements to secure continuous improvement.
- 8 Under the Well-being of Future Generations (Wales) Act 2015, the Auditor General is required to assess the extent to which fire and rescue authorities are acting in accordance with the sustainable

development principal in setting their well-being objectives and taking steps to meet them.

- 9 As noted above, under the Public Audit (Wales) Act 2004, the Auditor General is also required to be satisfied annually that each fire and rescue authority has put in place proper arrangements to secure value for money in the use of its resources.
- 10 As an indication of the scope of performance audit work undertaken each year to meet the audit requirements of the Measure, the 'proper arrangements' element of the Public Audit (Wales) Act 2004 and the Well-being of Future Generations (Wales) Act 2015, the indicative audit fee for 2023-24 for this element of my audit work at each fire and rescue authority was £16,380. Depending on the grade mix of staff involved, this translates into approximately 20-25 days of staff time to deliver duties under three distinct pieces of legislation. I can increase the fees charged to an individual body where additional complexity or audit risks are identified, but I may not charge more than the full cost of undertaking these functions. However, in view of the relative scale of fire and rescue authority budgets and the need to be proportionate, the amount of fee charged, and level of audit work I undertake is significantly less than for example at unitary authorities.
- 11 The Auditor General is also required to undertake certain Local Government Studies under the Public Audit (Wales) Act 2004. These studies typically concern the discharge of functions of principal councils, however the duties under this legislation also cover fire and rescue authorities and national park authorities.

Key findings from recent audit work

- 12 I have consistently concluded that fire and rescue authorities have prepared financial statements that are 'true and fair' with no significant findings or recommendations specific to the financial statements or key financial processes.
- 13 I have also consistently concluded that fire and rescue authorities have complied with the requirements of the Local Government (Wales) Measure 2009.
- 14 Through my recent annual performance audit programmes I have commented on governance issues in fire and rescue authorities. Where relevant I have summarised these references in relation to South Wales Fire and Rescue Authority below.
- 15 In 2023 I reported on 'Fire False Alarm Reduction' at each fire and rescue authority. I published the report of my findings relating to

South Wales Fire and Rescue Authority in July 2023.¹ I concluded that the Authority has made progress in its approach to managing fire false alarms. Making better use of data and learning from elsewhere will identify opportunities to better manage performance and risks.

- 16 In 2022 I reported on Carbon Emissions Reduction at each fire and rescue authority. I published the report of my findings relating to South Wales Fire and Rescue Authority in April 2022². Overall, I reported that the Authority is creating the right infrastructure to become carbon neutral by 2030 but needs to deliver its ambitious targets and address some big risks.
- 17 In 2021 I reported on ‘Corporate Resilience’ at each fire and rescue authority. I published the report of my findings relating to South Wales Fire and Rescue Authority in November 2021³. In the report I concluded in relation to governance that the Authority has appropriate governance systems but scrutiny of decisions and holding officers to account does not always give sufficient assurance that all big corporate risks are being addressed.
- 18 In January 2022 I reported on my study of Joint Working Between Emergency Services⁴. My overall conclusion was that blue light emergency service collaboration is slowly growing but requires a step change in activity to maximise impact and make best use of resources.
- 19 Whilst not specific audit work, it is relevant to note that I have not received any whistleblowing reports or correspondence in relation to the culture of South Wales Fire and Rescue Authority.
- 20 Although not audit findings, in my response⁵ to the Welsh Government’s consultation on its 2019 White Paper on the ‘Reform of the Fire and Rescue Authorities in Wales’, I also commented on several themes that the Committee may consider relevant to its Inquiry. These included that the White Paper did not provide sufficient consideration of equality and diversity in relation to those who manage and scrutinise services.
- 21 In my response I also recognised the merit in local authorities continuing to nominate fire and rescue authority members. I

¹ [South Wales Fire and Rescue Authority – Fire False Alarm Reduction | Audit Wales](#)

² [South Wales Fire and Rescue Authority – Carbon Emissions Reduction | Audit Wales](#)

³ [South Wales Fire and Rescue Authority – Corporate Resilience Report | Audit Wales](#)

⁴ [Joint Working Between Emergency Services | Audit Wales](#)

⁵ [Consultation on the Reform of the Fire and Rescue Authorities in Wales - Consultation Responses 31 to 60](#)

suggested there was a need for the Welsh Government to ensure that the nomination process is both fair and transparent to secure representatives with sufficient seniority, skills and capacity. I also suggested it would be helpful to encourage authorities to seek to create inclusive and representative fire and rescue authority boards. I also noted that it may be helpful to consider alternative approaches from elsewhere to encourage opportunities for fire and rescue authorities to employ the best talent and secure a more diverse senior leadership team.

- 22 In my response I also commented that it would be helpful if the proposals in the White Paper were accompanied by an updated National Framework for Fire and Rescue Services. I highlighted the need for more detailed consideration of how the proposed changes tied in with a greater focus on the Wellbeing of Future Generations (Wales) Act 2015 and fire and rescue authorities' responsibilities under this.
- 23 Informed by some of the issues and risks set out above as well as highlighted through my audit work, I have prioritised governance of fire and rescue authorities as one of a limited number of local government studies that I undertake each year. In deciding to undertake a study of this scale, I was also cognisant that whilst principal councils have been the subject of recent legislative reform, this has not been the case for fire and rescue authorities. This study is in addition to my annual programme of financial and performance audit work that is funded from audit fees. I had already identified a need to undertake this study prior to the commencement of the Culture Review undertaken in South Wales Fire and Rescue Authority.
- 24 My study of fire and rescue authority governance is in progress, and I intend to publish the findings of this study in July 2024. It would be premature to provide an indication of the findings of this study at this stage as the study team are still in the process of gathering evidence.

Future Audit Work

- 25 I intend to continue with my Local Government Study into the governance of fire and rescue authorities. At present I am also planning to undertake local audit work focussed on the fire and rescue authorities' approach to targeted high-risk fire prevention.
- 26 Following the independent Culture Review Report into South Wales Fire Rescue Authority and the Welsh Government's subsequent intervention, this Committee's Inquiry and my ongoing study into the

governance of fire and rescue authorities, I will reflect on my planned audit work at the fire and rescue authorities.

- 27 This will include consideration of whether any additional audit work is necessary. In doing so, I will also continue to liaise with the Welsh Government, including the Chief Fire and Rescue Adviser and Inspector for Wales, and take into account any planned inspection activity.