

North Wales Fire and Rescue Authority Annual Audit Summary 2022

This is our audit summary for North Wales Fire and Rescue Authority. It shows the work completed since the last Annual Audit Summary, which was issued in January 2022. Our audit summary forms part of the Auditor General for Wales' duties.



More information about these duties can be found on our [website](#).

About the Fire and Rescue Authority

Some of the services the Fire and Rescue Authority provides



Key facts

Fire and Rescue Authorities (FRAs) consist of nominated elected members, representing the local authorities across the FRA area as a whole. North Wales FRA is made up of 28 councillors who represent their constituent authorities.

The FRA spent £40.7 million on providing services during 2021-22 which is a 2.5% increase on 2020-21¹.

As at 31 March 2022, the FRA had £1.52 million of cash reserves and £5.57 million in earmarked reserves.

FRAs have a statutory obligation under the Fire and Rescue Services Act 2004 to maintain a Fire and Rescue Service capable of dealing effectively with all calls for assistance in the case of fire and other emergencies.

The Welsh Government has overarching responsibility for determining policy on FRAs. At a local level, FRAs must meet the requirements of the Local Government (Wales) Measure 2009

¹ Source: 2021-22 Statement of Accounts

Key facts

and the Well-being of Future Generations (Wales) Act 2015, as well as the National Framework for Fire and Rescue Services.

Most of the funding for the three FRAs in Wales is received by way of a levy from the local unitary authorities within their area. The contribution is based on population numbers.

The Auditor General's duties

We completed work during 2021-22 to meet the following duties

- **Audit of Accounts**

Each year the Auditor General audits the Authority's financial statements to make sure that public money is being properly accounted for.

- **Continuous improvement**

The Authority also has to put in place arrangements to make continuous improvements, including related plans and reports, and the Auditor General has to assess whether the Authority has met these requirements.

- **Value for money**

The Auditor General examines whether the Authority has put in place arrangements to get value for money for the resources it uses, and he has to be satisfied that it has done this.

- **Sustainable development principle**

Public bodies need to comply with the sustainable development principle when setting and taking steps to meet their well-being objectives. The Auditor General must assess the extent to which they are doing this.



To meet the Auditor General's duties we complete specific projects. We take the findings of our audit work into account when assessing whether the Authority has put in place arrangements to secure value for money. Our findings and conclusions are summarised below.

What we found

Audit of North Wales Fire and Rescue Authority's 2021-22 Accounts

Each year we audit the Authority's financial statements.

For 2021-22:

- The Auditor General gave an unqualified true and fair opinion on the Authority's financial statements on 18 October 2022.
- The Authority's Annual Governance Statement and Narrative Report were prepared in line with the CIPFA Code and relevant guidance. They were also consistent with the financial statements prepared by the Authority and with our knowledge of the Authority.
- The draft statements were presented for audit on 31 May 2022. The Authority has made progress in improving the quality of its financial statements, however we still identified a large number of errors and inconsistencies in the financial statements.
- Consequently, a number of changes were made to the Authority's financial statements arising from our audit work, which were reported to the Fire and Rescue Authority meeting in our Audit of Financial Statements Report in October 2022.
- The Auditor General issued the certificate confirming that the audit of accounts for 2021-22 has been completed.

Continuous improvement

The Auditor General certified that the Authority has met its legal duties for improvement planning and reporting and believes that it is likely to meet the requirements of the Local Government (Wales) Measure 2009 during 2021-22.

Local projects – Carbon Emissions Reduction

In 2021-22 we undertook a review of the Authority's progress in reducing its carbon emissions and fully contributing to Wales's public sector becoming carbon neutral by 2030. Overall, we found that the Authority is unlikely to meet its statutory obligations and become net carbon zero by 2030 unless there is a step change in performance.

Local government studies

As well as local work at each authority, each year we also carry out studies across the local government sector to make recommendations for improving value for money. Since the last annual improvement report, we have published the following reports:

Joint working between Emergency Services (January 2022)

This report examines whether emergency services in Wales are working more closely together to make better use of resources. Joint working across emergency services to make best use of resources is not a new concept. Emergency services have been working closely together to provide a better service to the public for many years. Innovative partnership initiatives have saved money, reduced local response times and have contributed to protecting the public. Despite this, there are growing expectations from government policy and legislation that collaboration needs to happen more deeply and quickly to ensure front line services can meet the challenges facing 21st century Wales. Overall we concluded 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.

Direct Payments (April 2022)

Direct Payments are an alternative to local-authority-arranged care or support and can help meet an individual's or a carer's need. They aim to give people more choice, greater flexibility and more control over the support they get. Our report looked at how Direct Payments help sustain people's wellbeing and whether they are improving quality of life. We also looked at how local authorities manage and encourage take up of Direct Payments and whether these services present value for money. We found that Direct Payments are highly valued, with the people we surveyed acknowledging that they help them remain independent. But we also found that managing and supporting people to use Direct Payments varies widely resulting in service users and carers receiving different standards of service.

'Time for Change' – Poverty in Wales (November 2022)

Poverty in Wales is not a new phenomenon and tackling poverty, particularly child poverty, has been a priority for both the Welsh Government and councils in Wales. The current cost-of-living crisis means that more people are being affected and families who have been living comfortably are moving into poverty for the first time. Many of the levers that could be used to alleviate poverty are outside of Wales's control. The Welsh Government adopted a Child Poverty Strategy in 2011, but this is out of date and the target to eliminate child poverty by 2020 was dropped. Councils and partners are prioritising work on poverty, but the mix of approaches and a complicated partnership landscape mean that ambitions, focus, actions, and prioritisation vary widely. The Welsh Government makes significant revenue funding available but, due to the complexity and nature of the issues, the total level of spend is unknown, and no council knows the full extent of its spending on alleviating and tackling poverty. The short-term nature of grant programmes, overly complex administration, weaknesses in guidance and grant restrictions, and difficulties spending monies means that

funding is not making the impact it could. Councils find it hard to deliver preventative work because of the sheer scale of demand from people in crisis.

‘A missed Opportunity’ – Social Enterprises (December 2022)

Social Enterprises sit between the public and private sectors. They apply commercial strategies to maximise improvements in financial, social and environmental well-being, often for individual groups in society, defined communities or geographical areas. Social enterprise work in every sector of the Welsh economy and in all parts of the country and are increasingly prominent in Welsh Parliament legislation. While local authorities claim they value Social Enterprises, few have mapped their activity and most authorities do not know the scale of provision within their area. Less than a third of local authorities consider themselves to have a proactive and supportive relationship with Social Enterprises and none have a dedicated strategy or policy that charts how they intend to promote and grow the sector. As a result, local authorities are missing out on the potential for Social Enterprises to help deliver services that can improve people’s quality of life. Current procurement and commissioning arrangements often unintentionally discourage Social Enterprises to engage because they are overly bureaucratic. Social value – the added value that commissioning processes can deliver – does not feature as a key driver for many local authorities. Most local authorities are not delivering their responsibilities under the Social Services and Wellbeing (Wales) Act 2014 and effectively promoting Social Enterprises.

‘Together we can’ – Community resilience and self-reliance (January 2023)

At a time when there is likely to be further reductions in public spending, local authorities are showing an increasing interest in encouraging and growing community resilience; equipping people to do more for themselves and be less reliant on the state. While 19 of the 22 local authorities are prioritising community resilience, too often the work is poorly defined and the actions that underpin plans are narrowly focussed. Given the societal, financial and demographic challenges facing Wales there is a need to scale and speed up activity. Capacity, resources and skills are scarce, people are facing tougher choices and struggling to cope with the cost-of-living crisis. Communities and local authorities themselves also have different abilities and are starting from different places with their own unique challenges to overcome. We highlight positive practice and examples of how others are seeking to address the challenge of enabling people to be less reliant on local authority services and how they are supporting and enabling this transition.

Planned work for 2022-23

We also looked at the key challenges and opportunities facing the Authority. These could have an effect on the Authority’s ability to meet its legal obligations in relation to the sustainable development principle, continuous improvement and the use of its resources. Our planned work for 2022-23 cover fire false alarms.

The Auditor General is independent of government, and is appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the Senedd.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, fire and rescue authorities, national parks, and community councils. He also conducts local government value for money studies, assesses compliance with the remaining requirements of the Local Government (Wales) Measure 2009 and may undertake special inspections under the Local Government and Elections (Wales) Act 2021.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Senedd Commission, and National Health Service bodies in Wales.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities with their own legal functions, as described above. Audit Wales is not a legal entity.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

This document is also available in Welsh.