

# Annual Governance Report

Cleveland Fire Authority

Audit 2008-2009

September 2009

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## **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.
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Ladies and Gentlemen

**2008/09 Annual Governance Report**

I am pleased to present the final version of my report on the results of my audit work for 2008/09.

A draft of the report was discussed and agreed with the Treasurer on 11 September 2009 and has been updated since as issues have been resolved.

The report sets out the key issues that you should consider before I complete the audit.

It asks you to:

- consider the matters raised in the report before approving the financial statements (pages 6 to 8);
- take note of the adjustments to the financial statements which are set out in this report (Appendix 2);
- approve the letter of representation on behalf of the Authority before I issue my opinion and conclusion (Appendix 3); and
- take note of the VFM Conclusion and Use of Resources scores (pages 9 to 12).

Yours faithfully

Gavin Barker  
Senior Audit Manager  
September 2009

# 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.

<b>Financial Statements</b>	<b>Results</b>	<b>Page</b>
Unqualified audit opinion	Yes	6
Financial statements free from material error	Yes	6
Adequate internal control environment	Yes	6
<b>Use of resources</b>	<b>Results</b>	<b>Page</b>
Use of resources judgements	Yes	9
Arrangements to secure value for money	Yes	11

## Audit opinion

- 1 Subject to satisfactory clearance of outstanding matters, 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.

## Financial statements

- 2 A number of errors have been found as a result of our audit. Appendix 2 provides a summary of errors that have been adjusted by officers.

## Use of resources

- 3 The Audit Commission's overall draft score for the Authority's use of resources is level 2. This takes into account:
  - the general strengthening of the Audit Commission's scoring criteria in the new Use of Resources approach this year; and
  - the Authority's planned and actual progress, and the positive impact this has had on arrangements and outcomes.
- 4 The scores are summarised in this report, but more detail will be made available in my separate report on the Use of Resources assessment.

# 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.**

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**5** I ask the Authority to:

- consider the matters raised in the report before approving the financial statements (pages 6 to 8);
- take note of the adjustments to the financial statements which are set out in this report (Appendix 2);
- approve the letter of representation on behalf of the Authority before I issue my opinion and conclusion (Appendix 3);
- take note of the VFM Conclusion and Use of Resources scores (pages 9 to 12).

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# Financial statements

**The Authority's financial statements and annual governance statement are important means by which the Authority accounts for its stewardship of public funds. As Authority 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.**

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## Opinion on the financial statements

- 6 Subject to satisfactory clearance of outstanding matters, 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.
- 7 We found officers helpful and responsive to the queries we raised, and we appreciate the assistance that was provided in enabling us to undertake our audit work effectively. Our view remains that the financial statements continue to be of a high standard and are well supported by working papers.

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## Errors in the financial statements

- 8 A number of errors have been found as a result of our audit. Appendix 2 provides a summary of the errors which officers agreed to amend in the financial statements.

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## Material weaknesses in internal control

- 9 I have not identified any material weaknesses in internal control.

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## Letter of representation

- 10 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.

### Key areas of judgement and audit risk

11 In planning my audit I identified specific risks and areas of judgement that I have considered as part of my audit. My findings are set out in Table 1.

**Table 1**      **Key areas of judgement and audit risk**

Issue or risk	Finding
Risks arising from changes in the key member of staff preparing the Authority's financial statements.	You ensured that there has been continuity and key officer oversight. There is a history of producing well supported financial statements. We confirmed this to be the case during this year's audit.
Risks if errors identified during the audit of the 2007/08 statements, which were corrected, recur or issues agreed for further action are not followed up. For example, consideration of whether group accounts in respect of the Regional Control Room are required.	<p>Tests were undertaken to ensure the correct treatment of areas where errors were identified or further action identified from the 2007/08 audit. There were no significant issues arising from our work.</p> <p>Group accounts have not been produced in relation to the Regional Control Centre (RCC) following an evaluation of the criteria set out in CIPFA guidance. We have not challenged this interpretation, but note that the evaluation will need to be revisited annually as the scale and nature of the control centre develops.</p> <p>Officers have already recognised that when the RCC becomes operational group accounts will be needed and steps have been taken to align the financial year end of the RCC with the Authority.</p>
Risks arising from changes to technical requirements in the 2008/09 statements; in particular, changes to the 2008 SORP.	We have established an ongoing dialogue with officers and technical questions have been discussed on a regular basis. Our work confirmed that the Authority had complied with the 2008 SORP.

Issue or risk	Finding
<p>Risk arising in relation to the new pooled treasury management arrangements with Hartlepool Borough Council.</p>	<p>We reviewed these arrangements during the audit. We raised an issue in relation to the rate of interest paid to the Authority by Hartlepool Council when funds were deposited with them rather than external institutions. The LIBOR rate was used, but this was not specified in the Service level Agreement. Our concern was that the rates were not specified in the SLA rather than the rates paid. Officers have explained that in future, funds will only be deposited with external institutions and the interest earned will be based purely on the rate paid by the external institution.</p>
<p>Risk arising from current economic climate, in particular in relation to valuation of assets (eg impairment).</p>	<p>A full revaluation was carried out on 1 April 2008. The valuer considered that a further impairment was not appropriate at 31 March 2009 given the specialist nature of the property holding (fire HQ and fire stations) and the basis of the valuation which was depreciated replacement cost. We have asked for a specific representation to be made in respect of this in the letter of representation at Appendix 4.</p>

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**Accounting practice and financial reporting**

- 12** I do not have any issues to draw to your attention in relation to the qualitative aspects of the Authority's financial reporting.

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# Use of resources

I am required to consider how well the Authority is managing and using its resources to deliver value for money and better and sustainable outcomes for local people, and give a scored use of resources judgement.

I am also 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.

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## Use of resources judgements

**13** The Authority's use of resources theme scores are shown in Table 2 below. The key findings and conclusions for the three themes, and the underlying KLOE, are summarised below. I plan to issue a separate report detailing the findings, conclusions and recommendations for discussion with officers.

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**Table 2** Use of resources theme scores

Use of resources theme	Scored judgement
Managing finances	3
Governing the business	2
Managing resources	2

## Managing finances

**14** The arrangements in place for managing finances, including robust financial planning linked to service planning processes, have contributed towards strong outcomes. For example, there has been a 20% reduction in deliberate primary fires compared to a national average reduction of 15%, Cleveland is one of only three brigades to carry out home fire safety visits in over 30% of the homes in their area, there has been the largest reduction nationally in accidental dwelling fires at 58%, and the percentage improvement in the majority of performance indicators is more than the national average. These outcomes have been achieved against a background of a tight financial settlement and limited reserves.

- 15** The Authority understands its own costs well and has made significant efficiencies without adversely affecting performance. It has used the Rising to the Challenge tool to demonstrate that compared to other services it is 'delivering more for less' through a risk based approach to delivering efficiencies and to highlight areas for further improvement. Cost information is an integral part of strategic decision making and this is demonstrated in for example the development of the Integrated Risk Management Plan (IRMP) and asset management plans. The Authority has improved its governance in relation to partnership working.
- 16** Financial reporting arrangements are sound. Financial monitoring is effective and the Authority can link its financial decisions to improvements in performance and service outcomes. The arrangements for producing the statutory financial statements are effective. Reporting to the public has improved, but there is scope for further development in this area. For example, the Authority continues to critically review its Annual Report and is re-launching its external website to improve accessibility and sharing of information.

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**Table 3      Managing finances scores**

Area	Score	Overall theme score
KLOE 1.1 Financial planning	3	Level 3
KLOE 1.2 Understanding costs	3	
KLOE 1.3 Financial reporting	2	

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### Governing the business

- 17** The Authority is delivering activities with positive outcomes for local people particularly those who are vulnerable. There are a number of examples of targeted activity but there is scope to develop a strategic approach to commissioning and procurement in order to further maximise value for money. The current PFI scheme being explored to provide a new headquarters and new fire stations provides a significant challenge over the next few years.
- 18** There is good monitoring of performance, including a quarterly performance report. Key indicators are analysed to identify areas of the community that require extra resources to reduce high risk. In order to review the Brigade's Data Quality Policy thoroughly a full review of systems and processes has begun in 2009. The review is in the early stages.
- 19** The Authority has adopted, promoted and demonstrated the principles of good governance. There is a strong ethical framework and culture. In addition to the sound arrangements, there is no evidence of any governance failings. We have recently carried out an ethical governance survey and this reinforces the view that robust governance arrangements are in place.

## Use of resources

- 20 Risk management is well developed and there is a strong framework of internal control. There are arrangements in place to prevent and detect fraud and corruption and these appear to be operating effectively.

**Table 4 Governing the business scores**

Area	Score	Overall theme score
KLOE 2.1 Commissioning and procurement	2	Level 2
KLOE 2.2 Data quality	2	
KLOE 2.3 Good governance	3	
KLOE 2.4 Risk management and internal control	3	

## Managing resources

- 21 This year's assessment of managing resource is based on workforce alone.
- 22 Strategic planning is in place linked to staff development plans, and succession planning is also in place. There is a strong commitment to workforce planning with a strategic plan being developed on a local and regional basis. The Authority is achieving against the National Equality Framework. The IRMP sets out the short to medium term direction for the service and the organisation has completed the first phase of a restructure to align resources with the requirements of the IRMP. The Authority needs to further consider the impact of existing policies, processes and actions in order to make further improvements. There is a lot of good action but outcomes and targets remain challenging, and there is likely to be significant on-going organisational change.

**Table 5 Managing resources scores**

Area	Score	Overall theme score
KLOE 3.1 & 3.2 not assessed for fire this year	n/a	Level 2
KLOE 3.3 Workforce	2	

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**Value for money conclusion**

- 23** 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 Table 6 below.
- 24** 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 my draft report.

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**Table 6 VFM criteria 2008/09**

<b>VFM criteria</b>	<b>The Authority has met requirements</b>
Financial planning and management	Yes
Understanding costs, performance and efficiencies	Yes
Financial reporting	Yes
Commissioning and procurement	Yes
Data quality	Yes
Good governance	Yes
Risk management and internal control	Yes
Workforce management	Yes

# Appendix 1 – Independent auditor’s report to Members of Cleveland Fire Authority

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## Opinion on the financial statements

I have audited the accounting statements, the firefighters’ pension fund accounting statements and related notes of Cleveland Fire 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 the 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 Cleveland Fire 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 Statement of Recommended 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).

## Appendix 1 – Independent auditor’s report to Members of Cleveland Fire Authority

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 Statement of Recommended 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 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 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 Statement of Recommended 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 2008, 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.

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### 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 to regularly 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, Cleveland Fire 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.

Gavin Barker  
Auditor appointed by the Audit Commission

Audit Commission  
Nickalls House  
Metro Centre  
Gateshead NE11 9NH

September 2009

# 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 7**

Adjusted misstatements	Nature of Adjustment	Income and Expenditure Account		Balance Sheet	
		Dr £000s	Cr £000s	Dr £000s	Cr £000s
<p>A very late adjustment has been made to the statements following the provision of revised information from the Actuary.</p> <p>There is an impact on the pension liability, but there is no impact on the General Fund Balance</p>	<p>Pension interest costs and expected return on pension assets (within Income &amp; Expenditure Account)</p> <p>Net charges made for retirement benefits in accordance with FRS17 (within Statement of Movement on the General Fund Balance)</p> <p>Pension Liability</p> <p>Pension Reserve</p>	2,235	2,235	628	628

## Appendix 2 – Adjusted amendments to the accounts

		Income and Expenditure Account		Balance Sheet	
<p>An amendment has been made to reflect the additional liability associated with the application of revised commutation factors backdated to 22 August 2006, together with the funding of this liability from additional Pensions Top Up Grant.</p>	<p>The additional liability is £632k  This is reflected as an increased cost in the pension fund account and a corresponding increased income from top up grant  Dr Commutations and lump sum retirement benefits  Cr Pension top up grant receivable from government  The sum payable is shown in the balance sheet as a creditor and the sum receivable as a debtor.  Dr Debtors  Cr Creditors</p>	<p>Pension Fund Account</p> <p>632</p>	<p>Pension Fund Account</p> <p>632</p>	<p>632</p>	<p>632</p>
<p>Officers identified that £601k of income was offset against expenditure. There is no impact on net expenditure, but gross expenditure and income were both understated. The accounts have been corrected for this error.</p>	<p>Dr Gross Expenditure  Cr Gross Income</p>	<p>601</p>	<p>601</p>		

## Appendix 2 – Adjusted amendments to the accounts

		Income and Expenditure Account		Balance Sheet	
Pensions past service costs of £81k and settlement/curtailment costs of £39k have been allocated across the above the line entries in the I&E account, but should be disclosed as a separate line as 'Non Distributed Costs'. Total adjustment is £120k.	Show these costs as Non Distributed Costs and not within other I&E headings: Dr Non distributed costs Cr Other above the line entries in the I&E	120	120		
The BVACOP classification for Emergency Planning has not been used in the Income & Expenditure Account	£30k should be shown as Emergency Planning, but has been included in Community Fire Safety. Dr Emergency Planning Cr Community Fire Safety	30	30		

Some of these adjustments show the main accounting entries, and further entries and adjustments to notes have been made to reflect the changes.

### Other adjustments

- The references to the page numbers in the Treasurer's certificate and Chairman's declarations have been amended to show that the full Statement of Accounts has been certified and approved. The original page numbering excluded important statements.
- The reference to equal pay as a significant control issue in the Annual Governance Statement has been removed as there are no such issues in relation to the Authority.
- There were some inconsistencies between movements in earmarked reserves and the statement of movements on the general fund balance. These have been corrected.

## Appendix 2 – Adjusted amendments to the accounts

- The pension costs note (note 12 to the core statements) was amended to provide a clear reconciliation to both the balance sheet movement in the pension liability/pension reserve and the pension fund account statements.
- The note on members allowances has been amended to include expenses of £13,588 as well as allowances.
- The cash flow statement has been amended for a number of errors and inconsistencies.
- In addition, a number of relatively minor amendments were made to the financial statements to correct minor errors, typographical errors and inconsistencies.

### Annual Report

- We reviewed a draft of the Authority's Annual Report for 2008/09. Officers recognise that this will need to be amended to reflect the changes made to the financial statements following the audit. There is time to do this before the Annual Report is published.

# Appendix 3 – Draft letter of representation

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To: Gavin Barker, Senior Audit Manager

## **Cleveland Fire Authority - Audit for the year ended 31 March 2009**

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other officers of Cleveland Fire Authority, the following representations given to you in connection with your audit of the Authority's financial statements for the year ended 31 March 2009.

### **Compliance with statutory authorities**

I acknowledge my responsibility under the relevant statutory authorities for preparing the financial statements in accordance with the Code of Practice for Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice which present fairly the financial position and financial performance of the fire authority and for making accurate representations to you.

### **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 meetings, have been made available to you.

### **Irregularities**

I acknowledge my responsibility for the design and implementation of internal control systems to prevent and detect fraud or error.

There have been no:

- irregularities involving management or employees who have significant roles in the system of internal accounting control;
- irregularities involving other employees that could have a material effect on the financial statements; or
- communications from regulatory agencies concerning non-compliance with, or deficiencies on, financial reporting practices which could have a material effect on the financial statements.

I also confirm that I have disclosed:

- my knowledge of fraud, or suspected fraud, involving either management, employees who have significant roles in internal control or others where fraud could have a material effect on the financial statements; and
- my knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

### Law, regulations, contractual arrangements 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.

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 requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

### Fair Values

I confirm the reasonableness of the significant assumptions within the financial statements. For each assumption, I confirm:

- the appropriateness of the measurement method;
- the basis used by management to overcome the presumption under the financial reporting framework;
- the completeness and appropriateness under the financial reporting framework; and
- if subsequent events require/do not require adjustment to the fair value measurement.

### Assets

The following have been properly recorded and, where appropriate, adequately disclosed in the financial statements:

- losses arising from sale & purchase commitments;
- agreements & options to buy back assets previously sold; and
- assets pledged as collateral.

### Compensating arrangements

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

## Appendix 3 – Draft letter of representation

### Contingent liabilities

There are no contingent liabilities. In particular:

- there is no significant pending or threatened litigation;
- there are no material commitments or contractual issues; and
- no financial guarantees have been given to third parties.

### Related party transactions

I confirm the completeness of the information disclosed 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.

### Post balance sheet events

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

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

All assets, particularly fixed assets and debtors, have been reviewed for impairment and revalued or impaired where appropriate.

Signed on behalf of Cleveland Fire Authority.

Signed

Name	Albert Emmerson
Position	Treasurer
Date	September 2009

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# 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.

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