



AGENDA ITEM: 9

NORTH WALES FIRE AND RESCUE AUTHORITY AUDIT COMMITTEE

27 January 2014

ANNUAL AUDIT LETTER

Report by Virginia Stevens, KPMG

PURPOSE OF REPORT

- 1** The purpose of this report is to present to Members the Annual Audit Letter.

BACKGROUND

- 2** Following the introduction of the Local Government Measure 2009 the Wales Audit Office has changed how it reports its findings from the financial and performance audits. The majority of the issues that were traditionally reported in the Annual Audit Letter are now included as part of the Annual Improvement Report.

INFORMATION

- 3** The Annual Audit Letter attached at Annex 1 summarises the key messages arising from the Auditor's statutory responsibilities. The letter is a standalone document but will be presented to the Authority and the public as part of the Annual Improvement Report and therefore discharging the Auditor's reporting responsibilities under the Code of Audit Practice.

RECOMMENDATION

- 4** The Audit Committee is recommended to accept the Annual Audit Letter and note that it will be presented to the Authority and the public as part of the Annual Improvement Report.



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Dear Simon

Annual Audit Letter

This letter summarises the key messages arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 as the Appointed Auditor and my reporting responsibilities under the Code of Audit Practice.

The Authority complied with its responsibilities relating to financial reporting and use of resources.

It is the Authority's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

Local authorities in Wales prepare their accounting statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This Code is based on International Financial Reporting Standards. On 25 September 2013 I issued an unqualified audit opinion on the accounting

statements stating that they present a true and fair view of the Authority's and the Pension Fund's financial position and transactions. My report is contained within the Statement of Accounts. The key matters arising from the accounts audit were reported to members of the Audit Committee in my Audit of Financial Statements report on the 23 September 2013, and a more detailed report will follow in due course.

My consideration of the Authority's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed as part of the Improvement Assessment under the Local Government (Wales) Measure 2009. Overall, I am satisfied that the Authority has appropriate arrangements in place. The Auditor General will highlight areas where the effectiveness of these arrangements has yet to be demonstrated or where improvements could be made when he publishes his Annual Improvement Report.

I issued a certificate confirming that the audit of the accounts has been completed on 25 September 2013.

The financial audit fee for 2012-13 is currently expected to be in line with the agreed fee set out in the Annual Audit Outline.

Yours sincerely

Virginia Stevens
For and on behalf of the Appointed Auditor

cc. Dawn Docx, Deputy Chief Officer

28 November 2013