

The report is Not Exempt

The report is for Decision

REPORT TO: FIRE AUTHORITY

MEETING DATE: 10 December 2018

SUBJECT: Letter of Representation regarding the 2016/17 Financial Statements

SUMMARY

<p>The Appointed Auditor is required to give his opinion on the financial statements of the Mid and West Wales Fire and Rescue Authority. The audit report is dependent on the Section 151 Officer providing the Appointed Auditor with a signed Letter of Representation that is based on that set out in the audit report.</p>
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RECOMMENDATIONS:

<p>That the Fire and Rescue Authority approve the letter of representation to the Auditor General for Wales, Wales Audit Office prior to completion by the S151 Officer and Chairman on behalf of the Fire & Rescue Authority (attached at Appendix A).</p>

REPORT APPROVAL

Clerk/Monitoring Officer:	Comments: Approved Date: 03.12.18
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Relevant Director:	Comments: Approved Date: 03.12.18
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Section 151 Officer /Treasurer:	Comments: Approved Date: 03.12.18
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Chief Fire Officer/ Deputy Chief Fire Officer	Comments: Approved Date: 03.12.18
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BACKGROUND PAPERS USED IN PREPARATION OF THIS REPORT:
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<p>Audit of Financial Statements Report - Mid and West Wales Fire and Rescue Authority 2016/17 (Wales Audit Office Auditor General for Wales)</p>

Presenting the Report:	Chris Moore Section 151 Officer
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Report Author(s) and Designation	Sarah Mansbridge Head of Finance
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Date original report written	23/11/2018
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Mae'r Adroddiad Heb ei eithrio

Mae'r Adroddiad AR GYFER PENDERFYNIAD

ADRODDIAD I'R: AWDURDOD TÂN

DYDDIAD Y CYFARFOD: 10 Rhagfyr 2018

TESTUN: Llythyr Cynrychiolaeth ynghylch Datganiadau Ariannol 2016/17

CRYNODEB:

Mae'n ofynnol i'r Archwilydd Penodedig roi ei farn ar ddatganiadau ariannol Awdurdod Tân ac Achub Canolbarth a Gorllewin Cymru. Mae'r adroddiad archwilio yn ddibynnol ar y Swyddog Adran 151 yn cyflwyno Llythyr Cynrychiolaeth wedi'i lofnodi i'r Archwilydd Penodedig, sy'n seiliedig ar yr hyn a nodir yn yr adroddiad archwilio.

ARGYMHELLION:

Bod yr Awdurdod Tân ac Achub yn cymeradwyo'r llythyr cynrychiolaeth at Archwilydd Cyffredinol Cymru, Swyddfa Archwilio Cymru cyn iddo gael ei gwblhau gan y Swyddog Adran 151 a'r Cadeirydd ar ran yr Awdurdod Tân ac Achub (wedi'i atodi yn Atodiad A).

CYMERADWYO'R ADRODDIAD

Clerc:	Sylwadau: Cymeradwywyd Dyddiad: 03.12.18
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Cyfarwyddwr:	Sylwadau: Cymeradwywyd Dyddiad: 03.12.18
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Cyllid/Trysorydd:	Sylwadau: Cymeradwywyd Dyddiad: 03.12.18
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Prif Swyddog Tân / Dirprwy Brif Swyddog Tân	Sylwadau: Cymeradwywyd Dyddiad: 03.12.18
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PAPURAU CEFNDIR A DDEFNYDDIWD WRTH BARATOI'R ADRODDIAD HWN:

Archwiliad o Ddatganiadau Ariannol 2016/17 – Gwasanaeth Tân ac Achub Canolbarth a Gorllewin Cymru (Swyddfa Archwilio Cymru Archwilydd Cyffredinol Cymru)

Yn cyflwyno'r Adroddiad:	Chris Moore Swyddog A151
Awdur(on) yr Adroddiad a'u Swyddi	Sarah Mansbridge Pennaeth Cyllid
Dyddiad yr ysgrifennwyd yr adroddiad gwreiddiol	23/11/2018

**REPORT TO THE FIRE AUTHORITY
10 DECEMBER 2018**

LETTER OF REPRESENTATION REGARDING THE 2016/17 FINANCIAL STATEMENTS

1 Summary

- 1.1 The Appointed Auditor is required to give his opinion on the financial statements of the Mid and West Wales Fire and Rescue Authority. The audit report is dependent on the Section 151 Officer providing the Appointed Auditor with a signed Letter of Representation that is based on that set out in the audit report.

2 National/Wales Position

- 2.1 Under International Auditing Standards (ISA) 580, the Auditor should obtain appropriate representations from management regarding its responsibilities in relation to the financial statements, and matters material to the financial statements.
- 2.2 If management refuses to provide a representation that the auditor considers necessary, this constitutes a scope limitation and could result in a different audit report.

3 Mid and West Wales Fire and Rescue Service Current Position

- 3.1 It is normal practice for the Appointed Auditor to require a letter of representation from the Authority. A draft of this letter is contained within the ISA 260 report.

4 Proposal

- 4.1 The Letter of Representation from Mid and West Wales Fire and Rescue Authority to the Appointed Auditor for the audit year 2016/17 is included as Appendix A.

5 Financial/Procurement Implications

- 5.1 Financial implications are reflected in the Letter of Representation.

6 Risk Assessment/Legal Implications

- 6.1 The International Standard on Auditing (ISA) 580 deals with the auditor's responsibility to obtain written representations from management and, where appropriate, those charged with governance in an audit of financial statements.

7 Equality and Diversity Including Welsh Language

- 7.1 Considered not relevant.

8 Human Resource and People Development

- 8.1 Considered not relevant.

9 Information and Communications Technology (ICT)

9.1 Considered not relevant.

10 Estates

10.1 Considered not relevant.

11 Service Delivery

11.1 Considered not relevant.

12 Fire Authority Governance

12.1 Under Article 7 of the Constitution it is initially for the Performance, Audit & Scrutiny Committee to consider the external auditor's report to those charged with governance on issues arising from the audit of accounts. Due to the delay in producing the financial statements and in order not to further lengthen the process the Authority will consider the Letter of Representation.

13 Consultation & Communication

13.1 WAO and officers of Mid and West Wales Fire and Rescue Service have communicated at length during the audit, culminating in the ISA260 report including the Letter of Representation.

14 Evaluation

14.1 Considered not relevant.

15 Well-being of Future Generations (Wales) Act 2015

15.1 Considered not relevant.

16 Data Protection and Privacy Issues

16.1 The report does not include personal information concerning individuals other than where information is provided as required under the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting 2016/17.

17 Recommendations

17.1 That the Fire and Rescue Authority approve the letter of representation to the Auditor General for Wales, Wales Audit Office prior to completion by the S151 Officer and Chairman on behalf of the Fire & Rescue Authority (attached at Appendix A).

Appendix A

Y Pencadlys, Heol Llwyn Pisgwydd, Caerfyrddin, SA31 1SP
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Prif Swyddog Tân/Chief Fire Officer: Chris Davies, QFSM MBA

Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

10 December 2018

Representations regarding the 2016-17 financial statements

This letter is provided in connection with your audit of the financial statements of Mid and West Wales Fire and Rescue Authority (including remuneration disclosures) for the year ended 31st March 2017 for the purpose of expressing an opinion on their truth and fairness and proper preparation.

I confirm that to the best of my knowledge and belief, having made enquiries as I consider sufficient, I can make the following representations to you.

Management representations

Responsibilities

I have fulfilled my responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the code of practice on local authority accounting; in particular the financial statements give a true and fair view in accordance therewith;
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- Full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.

- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of fraud or suspected fraud that we are aware of and that affects Mid and West Wales Fire and Rescue Authority and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. All uncorrected misstatements identified during the audit were corrected.

The issues associated with the implementation of the Fire Fighters' Pension (Wales) Scheme (amendment) Order 2014 have been discussed with management. Work is currently in progress within the Authority to address residual legal and funding matters arising from the delay in implementing the Order.

The relevant officers kept us informed of the process and decisions taken in regard to one of our senior officers leaving the Fire Authority, and the basis of their exit package. We can confirm that Fire Authority Members were given the opportunity to ask questions about the exit when they met as the Fire Authority on 7 February 2017.

Representations by the Mid and West Wales Fire and Rescue Authority

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by Mid and West Wales Fire and Rescue Authority on 10 December 2018.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:
Chris Moore
Section 151 Officer
Date: 10 December 2018

Signed by:
Councillor Rowland Rees-Evans
Chair
Date: 10 December 2018