

The report is Not Exempt

The report is for Information

REPORT TO: FIRE AUTHORITY

MEETING DATE: 18 March 2019

SUBJECT: The Appointed Auditor's Annual Audit Letter 2016-17

SUMMARY

<p>This Annual Audit Letter 2016-17 (Appendix 1) summarises the key findings arising from the review carried out by the Appointed Auditors undertaking their statutory responsibilities under the Public Audit (Wales) Act 2004 and also under the Code of Audit Practice.</p>
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RECOMMENDATIONS:

<p>That the Fire Authority note the contents of the report.</p>

REPORT APPROVAL

Clerk/Monitoring Officer:	Comments: Approved Date: 08.03.19
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Relevant Director:	Comments: Approved Date: 08.03.19
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Section 151 Officer /Treasurer:	Comments: Approved Date: 11.03.19
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Chief Fire Officer/ Deputy Chief Fire Officer	Comments: Approved Date: 10.03.19
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BACKGROUND PAPERS USED IN PREPARATION OF THIS REPORT:
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<p>Statement of Accounts 2016-17</p>

Presenting the Report:	A representative from Wales Audit Office
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Report Author(s) and Designation	Sarah Mansbridge Head of Finance
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Date original report written	21/02/2019
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Mae'r Adroddiad Heb ei eithrio

Mae'r Adroddiad ER GWYBODAETH

ADRODDIAD I'R: AWDURDOD TÂN

DYDDIAD Y CYFARFOD : 18
Mawrth 2019

TESTUN: Llythyr Archwilio Blynyddol yr Archwilydd Penodedig 2016-17

CRYNODEB:

Mae Llythyr Archwilio Blynyddol 2016-2017 (Atodiad 1) yn crynhoi'r canfyddiadau allweddol sy'n deillio o'r adolygiad a gynhaliwyd gan yr Archwilydd Penodedig a oedd yn ymgymryd â'u cyfrifoldebau statudol o dan Ddeddf Archwilio Cyhoeddus (Cymru) 2004 a'r Cod Ymarfer Archwilio.

ARGYMHELLION:

Bod yr Awdurdod Tân yn nodi cynnwys yr adroddiad.

CYMERADWYO'R ADRODDIAD

Clerc:	Sylwadau: Cymeradwywyd Dyddiad: 08.03.19
Cyfarwyddwr:	Sylwadau: Cymeradwywyd Dyddiad: 08.03.19
Cyllid/Trysorydd:	Sylwadau: Cymeradwywyd Dyddiad: 11.03.19
Prif Swyddog Tân / Dirprwy Brif Swyddog Tân	Sylwadau: Cymeradwywyd Dyddiad: 10.03.19

PAPURAU CEFNDIR A DDEFNYDDIWDYD WRTH BARATOI'R ADRODDIAD HWN:

Datganiad o Gyfrifon 2016-2017

Yn cyflwyno'r Adroddiad:	Cynrychiolydd o'r Swyddfa Archwilio Cymru
Awdur(on) yr Adroddiad a'u Swyddi	Sarah Mansbridge Pennaeth Cyllid
Dyddiad yr ysgrifennwyd yr adroddiad gwreiddiol	22/02/2019

REPORT TO THE FIRE AUTHORITY
18 MARCH 2019
THE APPOINTED AUDITOR'S ANNUAL AUDIT LETTER 2016-17

1 Summary

- 1.1 This Annual Audit Letter 2016-17 (Appendix 1) summarises the key findings arising from the review carried out by the Appointed Auditors undertaking their statutory responsibilities under the Public Audit (Wales) Act 2004 and also under the Code of Audit Practice.

2 National/Wales Position

- 2.1 All Fire and Rescue Authorities in Wales receive an Annual Audit Letter from their Appointed Auditor.

3 Mid and West Wales Fire and Rescue Service Current Position

- 3.1 As above.

4 Proposal

- 4.1 The report is for noting.

5 Financial/Procurement Implications

- 5.1 The financial audit fee for 2016-17 is £59,781, which is £698 more than the estimate.

6 Risk Assessment/Legal Implications

- 6.1 The Annual Audit Letter discharges the Appointed Auditors reporting responsibilities under the Code of Audit Practice.

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 Receiving the Annual Audit Letter is part of the governance arrangements following approval of the Annual Statement of Accounts (SoA).

13 Consultation & Communication

13.1 The draft Annual Audit Letter has been discussed with the S151 Officer, Director of Resources and Head of Finance.

14 Evaluation

14.1 The Annual Audit Letter marks the satisfactory conclusion of the 2016-17 annual accounts process.

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

15.1 The annual accounts process is completed having regard for the Well Being of Future Generations (Wales) Act. The Statement of Accounts is prepared on a going concern basis. It is the financial report which mirrors the performance of Authority and its achievement of corporate objectives.

16 Data Protection and Privacy Issues

16.1 There are no data protection or privacy issues associated with this report.

17 Recommendations

17.1 That the Fire Authority note the contents of the report.



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Please contact us in Welsh or English.
Cysylltwch â ni'n Gymraeg neu'n Saesneg.

Y Cynghorydd Rowland Rees-Evans
Cadeirydd Awdurdod Tân ac Achub Canolbarth a Gorllewin Cymru
Pencadlys y Gwasanaeth Tân
Heol Llwyn Pisgwydd
Caerfyrddin
SA31 1SP

Cyfeirnod: 1038A2019-20

Dyddiad cyflwyno: 19 Chwefror 2019

Annwyl Gynghorydd Rees-Evans

Llythyr Archwilio Blynyddol – Awdurdod Tân ac Achub Canolbarth a Gorllewin Cymru 2016-17

Mae'r llythyr hwn yn crynhoi'r negeseuon allweddol sy'n deillio o'm cyfrifoldebau statudol o dan Ddeddf Archwilio Cyhoeddus (Cymru) 2004 a'm cyfrifoldebau adrodd o dan y Cod Ymarfer Archwilio.

Cydymffurfiodd yr Awdurdod â'i gyfrifoldebau sy'n ymwneud ag adroddiadau ariannol a defnyddio adnoddau

Cyfrifoldeb Awdurdod Tân ac Achub Canolbarth a Gorllewin Cymru (yr Awdurdod) yw:

- rhoi systemau rheoli mewnol ar waith i sicrhau rheoleidd-dra a chyfreithlondeb trafodiadau a sicrhau bod ei asedau'n ddiogel;
- cynnal cofnodion cyfrifyddu cywir;
- paratoi datganiad o gyfrifon yn unol â gofynion perthnasol; a
- sefydlu trefniadau priodol i sicrhau darbodusrwydd, effeithlonrwydd ac effeithiolrwydd ei ddefnydd o adnoddau, ac adolygu hyn yn gyson.

Mae Deddf Archwilio Cyhoeddus (Cymru) 2004 yn ei gwneud yn ofynnol i mi:

- roi barn archwilio ar y datganiadau cyfrifyddu;
- adolygu trefniadau'r Awdurdod i sicrhau darbodusrwydd, effeithlonrwydd ac effeithiolrwydd ei ddefnydd o adnoddau; a

- chyflwyno tystysgrif yn cadarnhau fy mod wedi cwblhau'r archwiliad o'r cyfrifon.

Mae awdurdodau lleol yng Nghymru yn paratoi eu datganiadau cyfrifyddu yn unol â gofynion Cod Ymarfer CIPFA/LASAAC ar Gyfrifyddu Awdurdodau Lleol yn y Deyrnas Unedig. Mae'r Cod hwn yn seiliedig ar Safonau Adrodd Ariannol Rhyngwladol.

Ar 11 Rhagfyr 2018 rhoddais:

- farn archwilio ddiamed ar ddatganiadau cyfrifyddu 2016-17 Cronfa Bensiwn y Diffoddwyr Tân; a
- barn archwilio ddiamed ar ddatganiadau cyfrifyddu 2016-17 yr Awdurdod.

Mae fy adroddiad archwilio wedi ei gynnwys ar dudalennau 9 i 11 yn y Datganiad Cyfrifon archwiliedig¹. Cyn imi ardystio datganiadau cyfrifyddu 2016-17, ar 10 Rhagfyr 2018 adroddwyd y materion allweddol a oedd yn deillio o'm harchwiliad i aelodau'r Awdurdod drwy fy Archwiliad o'r Adroddiad Datganiadau Ariannol². Yn ogystal ag adrodd fy mwriad i roi barn ddiamed a nodi'r cywiriadau a wnaed i'r datganiadau ariannol, adroddais ddau fater sylweddol hefyd fel a ganlyn:

- fe'm rhwystrwyd rhag cau'r archwiliad oherwydd anghyfreithlondeb posibl taliadau a wnaed o dan gynllun pensiwn y diffoddwyr tân; ac
- roedd cofnodion rhai elfennau o drafodaeth 'yn y dirgel' (sesiwn breifat) ynghylch eitem gyfrinachol yn annigonol.

Cymeradwywyd y cynigion i ddatrys mater cynllun pensiwn y Diffoddwyr Tân ar 10 Rhagfyr 2018, ac rwyf bellach wedi cael dogfennau rhagorol. Rwyf yn fodlon ar ymagwedd yr Awdurdod ac ar 5 Chwefror, cyflwynais fy marn eto, gan gynnwys tystysgrif yn cadarnhau bod archwiliad datganiadau cyfrifyddu 2016-17 yn gyflawn.

Rwyf yn fodlon bod yr Awdurdod wedi rhoi trefniadau priodol ar waith i sicrhau darbodusrwydd, effeithlonrwydd ac effeithiolrwydd ei ddefnydd o adnoddau

Mae fy ystyriaeth o drefniadau'r Awdurdod i sicrhau darbodusrwydd, effeithlonrwydd ac effeithiolrwydd wedi'i seilio ar y gwaith archwilio a wnaed ar y datganiadau cyfrifyddu yn ogystal â dibynnu ar y gwaith a gwblhawyd o dan Fesur Llywodraeth Leol (Cymru) 2009. Ers imi gyflwyno Llythyr Archwilio Blyneddol 2015-16 ym mis Gorffennaf 2018, o dan y Mesur, rwyf wedi cyhoeddi fy Adroddiad Gwella Blyneddol 2017-18³.

Yn seiliedig ar ganlyniadau fy ngwaith, rwyf yn fodlon bod yr Awdurdod wedi rhoi trefniadau priodol ar waith i sicrhau darbodusrwydd, effeithlonrwydd ac effeithiolrwydd ei ddefnydd o adnoddau ar gyfer 2016-17.

¹ <http://www.mawwfire.gov.uk/SiteCollectionDocuments/Finance/Statement-of-Accounts-2016-17.pdf>

² http://www.mawwfire.gov.uk/SiteCollectionDocuments/Fire_Authority_Committees/FA/2018/10.12.18/AgendaItem5.pdf

³ http://www.audit.wales/cy/system/files/publications/mwfra_air_welsh.PDF

Y ffi archwilio ariannol terfynol ar gyfer 2016-17 yw £59,781, sydd £698 yn fwy na'r amcangyfrif a fynegais ichi. Mae'r ffi derfynol yn cynnwys ffioedd cyfreithiol o £3,050⁴, sef traean o gyfran yr Awdurdod (bydd y biliau am y cyfrannau eraill yn cael eu hanfon i Awdurdodau Tân Gogledd a De Cymru) o'r costau cyfreithiol allanol a gawsom wrth gael cyngor cyfreithiol ar faterion sy'n ymwneud â Chronfa Bensiwn y Diffoddwyr Tân.

Yn gywir



Mark Jones

Ar gyfer ac ar ran Archwilydd Cyffredinol Cymru

cc. Chris Davies, Prif Swyddog Tân
Chris Moore, Swyddog Adran 151
Kevin Jones, Cyfarwyddwr Adnoddau

⁴ Codir TAW ar y ffioedd cyfreithiol, sydd wedi ei chynnwys yn y £3,050.



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Please contact us in Welsh or English.

Cysylltwch â ni'n Gymraeg neu'n Saesneg.

Councillor Rowland Rees-Evans
Chair of the Mid and West Wales Fire and Rescue Authority
Fire Service Headquarters
Lime Grove Avenue
Carmarthen
SA31 1SP

Reference: 1038A2019-20

Date issued: 19 February 2019

Dear Councillor Rees-Evans

Annual Audit Letter – Mid and West Wales Fire and Rescue Authority 2016-17

This letter summarises the key messages arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 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 Mid and West Wales Fire and Rescue Authority's (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 11 December 2018 I issued:

- an unqualified audit opinion on the 2016-17 accounting statements of the Fire Fighters' Pension Fund; and
- an unqualified audit opinion on the 2016-17 accounting statements of the Authority.

My audit report is set out at pages 9 to 11 of the audited Statement of Accounts¹. Prior to my certification of the 2016-17 accounting statements, on 10 December 2018 the key matters arising from my audit were reported to the members of the Authority through my Audit of Financial Statements Report². In addition to reporting my intention to issue an unqualified opinion and noting the corrections made to the financial statements, I also reported two significant matters as follows:

- the potential unlawfulness of payments made under the Firefighters' pension scheme prevented me from closing the audit; and
- minuting of some elements of an 'in camera' (private session) discussion on a confidential item was inadequate.

On 10 December 2018 the proposals to resolve the Firefighter pension scheme issue were approved and I have now received outstanding documentation. I am content with the approach taken by the Authority and on 5 February I re-issued my opinion, additionally including a certificate confirming that the audit of the 2016-17 accounting statements was complete.

I am satisfied that the Authority had appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources

My consideration of the Authority's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounting statements as well as placing reliance on the work completed under the Local Government (Wales) Measure 2009. Since my issue of the 2015-16 Annual Audit Letter in July 2018, under the Measure I have issued my Annual Improvement Report 2017-18³.

Based on the results of my work I am satisfied that for 2016-17 the Authority had appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

¹ <http://www.mawwfire.gov.uk/SiteCollectionDocuments/Finance/Statement-of-Accounts-2016-17.pdf>

² http://www.mawwfire.gov.uk/SiteCollectionDocuments/Fire_Authority_Committees/FA/2018/10.12.18/AgendaItem5.pdf

³ http://www.audit.wales/system/files/publications/mwfra_air_eng.pdf

The final financial audit fee for 2016-17 is £59,781, which is £698 more than the estimate that I communicated to you. The final fee includes legal fees of £3,050⁴, which is the Authority's third share (the other shares will be billed to North and South Wales Fire Authorities) of the external legal costs that we incurred in obtaining legal advice on the matters relating to the Fire Fighters' Pension Fund.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'MJ', followed by a horizontal line.

Mark Jones

For and on behalf of the Auditor General for Wales

cc. Chris Davies, Chief Fire Officer
Chris Moore, Section 151 Officer
Kevin Jones, Director of Resources

⁴ The legal fees attract VAT, which is included in the £3,050.