

REPORT TO THE FIRE AUTHORITY**DATE:** 24th September 2007**REFERENCE:****SUBJECT:**

To approve the Letter of Representation regarding the 2006/07 Financial Statements

SUMMARY:

The Wales Audit Office requires a letter of representation regarding the 2006/2007 Financial Statements before they can complete their audit of the Financial Statements. The letter has to be considered by the Authority and then be signed by both the Director of Finance and Procurement and the Chair of the meeting considering the letter.

OBJECTIVES		IMPLICATIONS	
Trusted & Respect		Operational Risk Management	
More than Emergencies		Community Risk Reduction	
Saving Lives, Protecting Communities		Training & Development	
Managing within Budget		Civil Contingencies	
Improving Efficiency		Finance & Procurement	yes
Resources to Priorities		H.R.	
Alternative Resources		ICT	
Managing People		Corporate Services	
Integrated Management Planning		Transport	
Partnership Working		Health & Safety	
Effective & Empowered People		Premises	
Sustainability & the Environment		Welsh Language	
Governance	yes	Legal	yes

COMMENTS/OBSERVATIONS:

The letter is required so that the audit of the Financial Statements can be completed

RECOMMENDATIONS:

That the letter be approved and signed by the Chair and the Director of Finance and Procurement.

BACKGROUND PAPERS USED IN PREPARATION OF THIS REPORT:

None

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Mid and West Wales Fire and Rescue Authority

Final Letter of Representation

To: Ceri Stradling
Appointed Auditor
Wales Audit Office
2-4 Park Grove
Cardiff
CF10 3PA

24th September 2007

2006/2007 financial statements for Mid and West Wales Fire Authority

This letter is provided in connection with your audit of the financial statements of the Mid and West Wales Fire Authority (the Authority) for the year ended 31 March 2007 for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the Authority as at 31 March 2007, and of the result of its operations and its cash flows for the year then ended in accordance with the Accounts and Audit (Wales) Regulations 2005 and the Local Government Statement of Recommended Practice 2006 (the LG SoRP).

Overall representations

All the transactions undertaken by the Authority have been properly reflected and recorded in the accounting records.

There are no pooled budget projects arising from any partnership agreements entered into under Section 31 of the Health Act 1999, associates, joint ventures or joint arrangements other than those disclosed in the accounting statements and associated notes.

The Authority has complied with all conditions imposed by relevant grant-paying organisations and can reasonably expect to receive the amounts of grant included within the accounts.

The Authority has complied with all aspects of contractual agreements that would require adjustment to, or disclosure in, the financial statements.

The financial statements are free of material misstatements including omissions.

All books of account and supporting documentation and all minutes of meetings of the Authority have been made available to you.

The Authority has no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

The measurement methods, including the related assumptions, used in determining fair values are appropriate and have been applied consistently. Disclosures relating to fair values are complete and appropriate.

The effects of those uncorrected financial statements misstatements aggregated by the auditor during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Assets

General

All assets included in the balance sheet were in existence at the balance sheet date and owned by the Authority, and free from any lien, encumbrance or charge, except as disclosed in the accounts. The balance sheet includes all tangible assets owned by the Authority.

Fixed assets

All assets over the de minimis level are capitalised. They are revalued (every five years via a Rolling Programme). Depreciation is calculated to reduce the net book amount of each asset to its estimated residual value by the end of its estimated useful life in the Authority's operations.

Current assets

On realisation in the ordinary course of the Authority's operations, the other current assets in the balance sheet are expected to produce at least the amounts at which they are stated. Adequate provision has been made against all amounts owing to the Authority which are known, or may be expected, to be irrecoverable.

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

Liabilities

General

All liabilities, both actual and contingent, have been recorded and disclosed as appropriate as well as all guarantees that we have given to third parties.

There is no pending litigation which may result in significant loss to the Authority, and which has not been disclosed in the financial statements, either as current or contingent liabilities.

All obligations under finance leases or hire purchase contracts have been disclosed in the accounts.

All unfunded benefits (such as discretionary added years) have been considered in the compilation of the Financial Reporting Standard (FRS) 17 figures included in the financial statements.

Results

Except as disclosed in the financial statements, the results for the year were not materially affected by transactions of a sort not usually undertaken by the Authority, or circumstances of an exceptional or non-recurring nature.

Internal control

I acknowledge my responsibility for the design and implementation of internal control to prevent and detect error. There have been no:

- irregularities involving management 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; and
- communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements.

Post-balance sheet events

Except as disclosed in the financial statements, there have been no material changes since the date of the balance sheet affecting liabilities and commitments, and no events or transactions have occurred which, though properly excluded from the financial statements, are of such importance that they should have been brought to the notice of the auditor.

Representations by those charged with governance

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

We acknowledge our responsibility for the fair presentation of the financial statements in accordance with the applicable Financial Reporting Framework.

We acknowledge our collective responsibility for the preparation of the financial statements, which have been approved by the Authority.

We have disclosed to you all known or possible non-compliance with laws and regulations whose effects should have been considered when preparing the financial statements.

There are no other material transactions with related parties (as defined by FRS 8 and the LG SoRP), other than those recorded and disclosed in the financial statements.

We acknowledge our responsibility for the design and implementation of internal control to prevent and detect fraud, and have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

We have disclosed to you our knowledge of any allegations of fraud, or suspected fraud, affecting the Authority's financial statements communicated to the Authority by employees, former employees, regulators or others.

We have disclosed to you our knowledge of fraud or suspected fraud affecting the Authority involving:

- those charged with governance;
- employees who have significant roles in internal control; or
- others where the fraud could have a material effect on the financial statements.

We confirm, to the best of our knowledge and belief, that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Signed by:

S.151 Officer

Date: 24th Sept 2007

Leading Member

Date: 24th Sept 2007