

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

Item 5

GOVERNANCE COMMITTEE: 23rd SEPTEMBER 2019

SUBJECT: ANNUAL AUDIT LETTER 2018/2019

**REPORT OF THE CHIEF FIRE OFFICER/CHIEF EXECUTIVE (CLERK TO THE
AUTHORITY) AND THE STRATEGIC FINANCE MANAGER**

1. PURPOSE OF THE REPORT

- 1.1 The report details the Annual Audit Letter for 2018/2019 issued by the External Auditors, Mazars LLP. A copy of the Letter, is attached to this report at Appendix A.

2. INTRODUCTION

- 2.1 Government regulations require the Annual Audit Letter (AAL) to be considered by those charged with governance and also that the AAL is also made public by the Authority. In addition to publication and consideration as part of the agenda for both the Authority's Governance Committee and Fire Authority itself, the full report must also be placed on the Tyne and Wear Fire and Rescue Authority website.

3. BACKGROUND INFORMATION

- 3.1 The Code of Audit Practice requires auditors to prepare an Annual Audit Letter (AAL) and issue it to each audited body. The purpose of preparing and issuing an AAL is to communicate to the audited body and key external stakeholders, including members of the public, the key issues arising from the auditors' work, which auditors consider should be brought to the attention of the audited body.
- 3.2 The AAL provides the Authority with the findings of the 2018/2019 audit, which comprises two main elements:
- An audit of the Authority's financial statements;
 - An assessment of the Authority's arrangements to achieve Value for Money in the use of its resources.

4. SUMMARY

- 4.1 In summary, the AAL is very positive, providing a strong endorsement of the financial management and governance arrangements that are in place across the Authority.
- 4.2 The External Auditor issued an unqualified opinion on the Authority's Financial Statements and an unqualified Value for Money Conclusion, details of which were included in their detailed Audit Completion Report issued on 31st July 2019.

The Annual Audit Letter confirms that the Authority:

- Produced unqualified Financial Statements for 2018/19 that gave a true and fair view of the Authority's financial position and its financial performance as at 31st March 2019 and that no objections to the published Financial Statements had been received;
 - Published its Narrative Report with the Financial Statements, as statutorily required, and that the details were found to be consistent with those Financial Statements;
 - Had provided an Annual Governance Statement that was found to accurately reflect the Authority's governance arrangements and that these followed the requirements of the 'Delivering Good Governance in Local Government Framework 2016';
 - Had no matters identified that required a report in the public interest or from other powers available to the auditor under the 2014 Act;
 - Had proper arrangements in place to secure economy, efficiency and effectiveness in its use of Resources and received an unqualified Value for Money Conclusion.
- 4.3 Diane Harold, Senior Manager at Mazars will be in attendance to present their report in more detail and to address any questions members may have.

5. FINANCIAL IMPLICATIONS

- 5.1 There are no financial implications in respect of this report.

6. RISK MANAGEMENT IMPLICATIONS

- 6.1 There are no Risk Management implications in respect of this report.

7. HEALTH AND SAFETY IMPLICATIONS

7.1 There are no Health and Safety implications in respect of this report.

8. EQUALITY AND DIVERSITY

8.1 There are no Equality and Diversity implications in respect of this report.

9. RECOMMENDATION

9.1 Members are recommended to note the report.