

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

Item No 4

MEETING: 14th FEBRUARY 2022

SUBJECT: AUDITORS ANNUAL REPORT 2020/2021

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

1. PURPOSE OF THE REPORT

- 1.1 The report details the Auditors Annual Report for 2020/2021 issued by the External Auditors, Mazars LLP. A copy of their independent report, is attached to this report at Appendix A.

2. INTRODUCTION

- 2.1 Government regulations (Local Audit and Accountability Act 2014) requires the Auditors Annual Report (which replaces the Annual Audit Letter) to be considered by those charged with governance and also that the report is also made available to the wider public by the Authority. In addition to publication and consideration as part of the agenda for both the Authority's Governance Committee and the Fire Authority itself, the full report must also be placed on the Tyne and Wear Fire and Rescue Authority website as soon as practicable.

3. BACKGROUND INFORMATION

- 3.1 The Code of Audit Practice requires auditors to prepare an Auditors Annual Report (AAR) and issue it to each audited body. The purpose of preparing and issuing an AAR 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 AAR therefore provides the Authority with the findings of the 2020/2021 audit, which comprises two main elements:
- An audit of the Authority's financial statements;
 - A detailed assessment of the Authority's arrangements to achieve Value for Money in the use of its resources.

4. SUMMARY

- 4.1 In summary, the AAR 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 for the year ended 31st March 2021 and in addition provides detailed commentary on the Authority's arrangements for achieving Value for Money, which is a new requirement for 2020/21 onwards. Details of the auditor's findings in respect of the audit of the accounts were included in their detailed draft Audit Completion Report issued on 29th November 2021 to Governance Committee which was finalised on 6th December 2021, with the audit formally completed and signed off on 9th December 2021.

The Auditors Annual Report now confirms that the Authority:

- Produced unqualified Financial Statements for 2020/21 that gave a true and fair view of the Authority's financial position and its financial performance as at 31st March 2021 and that no objections to the published Financial Statements had been received;
- Published its Narrative Statement 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 not identified any areas of significant weakness in the Authority's Value for Money arrangements, specifically in relation to:
 - Financial sustainability
 - Governance
 - Improving economy, efficiency and effectiveness.
- Provided detailed commentary and the evidence used in gaining their value for money opinions.

- 4.3 Representatives from 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.

