



24 Cathedral Road / 24 Heol y Gadeirlan
Cardiff / Caerdydd
CF11 9LJ

Tel / Ffôn: 029 2032 0500

Fax / Ffacs: 029 2032 0600

Textphone / Ffôn testun: 029 2032 0660

info@audit.wales / post@archwilio.cymru

www.audit.wales / www.archwilio.cymru

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.