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Councillor D T Davies
Chair of the South Wales Fire and Rescue Authority
Forest View Business Park
Llantrisant CF72 8LX

Reference: 1655A2019-20

Date issued: 20 January 2020

Dear Councillor Davies

Annual Audit Letter – South Wales Fire and Rescue Authority 2018-19

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 South 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. Fire 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 31 July 2019 I issued an unqualified audit opinion on the accounting statements confirming that they present a true and fair view of the Authority's and Fire Fighters' Pension Fund's financial position and transactions. My report is contained within the Statement of Accounts. The key matters arising from the accounts audit were reported to members of the Fire and Rescue Authority in my *Audit of Financial Statements report* on 29 July 2019, with recommendations for improvement reported to members of the Finance, Audit and Performance Management Committee on 25 November 2019.

I am satisfied that the Authority has 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 accounts as well as placing reliance on the work completed under the Local Government (Wales) Measure 2009 and under the Well-being of Future Generations (Wales) Act 2015.

I highlighted some opportunities for improvement in my Annual Improvement Report¹ issued in May 2019 but there were no formal recommendations for improvement.

I issued a certificate confirming that the audit of the accounts has been completed on 31 July 2019

I received no electors' questions or objections in relation to the 2018-19 audit. Having given an audit opinion on the financial statements and concluded on the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources, I was able to certify that the audit was complete when I issued my audit opinion.

Financial audit fee

The financial audit fee for 2018-19 is £57,022, which is in line with the estimate that I set out in the Annual Audit Plan.

¹ www.audit.wales/system/files/publications/south_wales_fire_rescue_annual_improvement_report_2018_english.pdf

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Derwyn Owen', enclosed in a light blue rectangular box.

Derwyn Owen
For and on behalf of the Auditor General for Wales

cc. Huw Jakeway, Chief Fire Officer
Sally Chapman, Deputy Chief Officer
Chris Barton, Treasurer and Section 151 Officer