



## **AGENDA ITEM: 7**

### **NORTH WALES FIRE AND RESCUE AUTHORITY AUDIT COMMITTEE**

**15 September 2014**

#### **STATEMENT OF ACCOUNTS 2013-14**

**Report by Ken Finch, Treasurer to the Authority**

#### **Purpose of Report**

- 1 This report is to present to Members the audited Statement of Accounts for 2013-14 and the Annual Governance Statement.
- 2 The Audit Committee has been tasked with ensuring effective scrutiny of finance reports and based on their findings, make recommendations to the Fire and Rescue Authority.

#### **Information**

- 3 In compliance with the Accounts and Audit Regulations (Amendment Wales) 2010 it is a requirement that the audited accounts are approved by Members by 30 September.
- 4 It is also a requirement that the Annual Governance Statement (Appendix 1) is presented to Members with the Statement of Accounts and these have been included as an Appendix to the accounts. The statement has been prepared in accordance with the principles contained within the 'Framework for Delivering Good Governance in Local Government' issued by the Chartered Institute of Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) and was scrutinised by the Audit Committee prior to approval by the Fire and Rescue Authority on 16 June 2014.

- 5 Members were presented with a Financial Performance report for 2013-14 which detailed the actual spend for the year against budget and Members approval was sought to set aside money from the underspend in to a number of Reserves and Provisions. These transactions have been enacted in the accounts, the details of which can be found on pages 32 and 33. This report was also scrutinised by the Audit Committee prior to approval by the Fire and Rescue Authority on 16 June 2014.

### **Audited Changes**

- 6 The accounts have now been audited by the Auditor appointed by the Wales Audit Office and have been amended in line with the findings from the audit and subsequent discussions over the accounting treatment, definitions and presentation of specific items within the accounts.
- 7 A detailed breakdown of the corrected misstatements identified in the draft accounts form part of the 'Audit of Financial Statements Report' which will be presented to the Audit Committee with the accounts. A summary of the changes, which are minor, are listed below.
  - a) Reclassification of some reserve expenditure from Capital Receipts Reserve to an Earmarked Reserve;
  - b) The Finance Lease adjustment has been amended as it had been accounted for twice within the depreciation charge;
  - c) Amendment to some of the figures and tables in the notes to the accounts to enhance presentation.
- 8 Usable reserves consist of the General Reserve, Earmarked Reserves and Grant Income brought forward from the previous year. These reserves can be used by the Authority to finance expenditure in future years. Unusable reserves are non-cashable and consist of money already set aside to finance expenditure; revaluations to reflect increase in asset values; and the Pension Reserve which is a deficit reserve.

## **Letter of Representation**

- 9 Attached to this report, as Appendix 2, is a letter of representation addressed to both the Wales Audit Office and KPMG from the Authority. It is a requirement of Auditing Standards in that KPMG needs to obtain representations from the Authority to support its audit opinion. The letter provides further detail.

## **Recommendation**

- 10 Members are asked to recommend to the Fire and Rescue Authority the approval of the audited Statement of Accounts for 2013-14 and note the Letter of Representation sent to the External Auditors.



**Gwasanaeth Tân ac Achub  
Fire and Rescue Service**

# **Annual Governance Statement 2013/2014**

## **1 Introduction**

- 1.1 This Statement has been prepared in accordance with guidance produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE), the 'Delivering Good Governance in Local Governance Framework'.

## **2 Scope of Responsibility**

- 2.1 North Wales Fire and Rescue Authority (the Authority) is responsible for ensuring that its business is conducted in accordance with the law and to proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 2.2 In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions and which includes arrangements for the management of risk.
- 2.3 The Authority has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. This statement explains how the Authority has complied with the code and also meets the requirements of the Accounts and Audit (Wales) Regulations 2011.

## **3 The Purpose of the Governance Framework**

- 3.1 The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services and continuous improvement.
- 3.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Service's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 3.3 The governance framework has been in place at the Authority for the year ended 31 March 2014 and up to the date of approval of the statement of accounts.

## 4 The Governance Framework

- 4.1 This statement describes the key elements of the Authority's Governance Framework and our self-assessment of the compliance with the Authority's Code of Corporate Governance. The governance assurances contained in this statement are structured around each of the 6 core governance principles contained in the Framework for Delivering Good Governance in Local Government.
- 4.2 Each of these principles is an important part of the Authority's Code of Corporate Governance arrangements. By applying these principles we can demonstrate that we are delivering the services to our citizens and communities in a way that demonstrates accountability, transparency, effectiveness, integrity and inclusivity.

**Principle 1**  
**Focusing on the purpose of the Authority, the outcomes for the community and creating and implementing a vision for the local area.**

- 5.1 The Authority's **Combined Improvement and Risk Reduction Plan 2013/14** sets out its vision, mission statement and values. The plan is compiled in accordance with specific duties arising from the Local Government (Wales) Measure 2009 and the Fire and Rescue National Framework for Wales 2008-11. Three different purposes are covered within the plan:
- The provision of information about the Authority and Service, and the context within which they operate;
  - Recording of the highest priorities of the Authority and tracing its progress towards achieving specific goals;
  - Recording of historical performance spanning three financial years.
- 5.2 The report, published in March 2013, outlines how the Authority will make improvements and reduce risk for 2013/14 and 2014/15 as well as setting its own improvements objectives.
- 5.3 In accordance with Section 15 of the Local Government (Wales) Measure 2009, the Authority annually publishes an assessment of its performance via '**How did we do?**' This assessment demonstrates how the Authority has discharged its general duty to improve and progress against the objectives it set itself for the year. It also summarises its collaborations and its performance against specified national and local performance indicators and measures of success.
- 5.4 Throughout the year, Principal Officers are accountable for ensuring that the Authority's priorities are delivered. Performance against key targets is regularly monitored via the **performance management** framework and is reported to Members on a quarterly basis as well as at the end of the financial year.
- 5.5 The Authority has in place robust arrangements for effective **financial control** through its accounting procedures and Financial Regulations. These include established budget planning procedures, which are subject to risk assessment, and regular reports to Members comparing actual revenue and capital expenditure to annual budgets. The Treasurer is responsible for ensuring the proper administration of the Authority's

financial affairs, as required by Section 151 of the Local Government Act 1972. There is a clear segregation of responsibilities between the management accountancy function undertaken internally and the financial accountancy function, which is undertaken through a SLA with Conwy County Borough Council. The Authority's **Treasury Management** arrangements follow professional practice and are subject to regular review and include reports presented to Members on a quarterly basis.

- 5.6 At the end of each year in accordance with legislation, the Authority publishes its annual **Statement of Accounts** giving clear information about its financial position and performance during the year.
- 5.7 Included within the financial statements is the **WAO Audit opinion**. For year ending 31 March 2013 the audit opinion reported that the statements provided a true and fair view of the financial position of the Authority for the year.
- 5.8 In addition, a clear and easy to read summary of the Authority's performance during the year is produced and available on the Authority's website for members of the public to access.
- 5.9 Members of the public can easily access information on the website as to how they can make a complaint about the Service. The Authority has an established **Complaints Management** policy specifying the procedures relating to the management and monitoring of complaints from external sources.
- 5.10 The Authority has agreed principles and processes to ensure that its objectives, priorities and values are promoted and safeguarded when working in partnership. A **Partnership Strategy** has been published and is available on the Service's website. Clear accountability and communication provisions are provided within all partnership agreements.
- 5.11 The Authority has made improvements in the areas of quality assurance and performance management within the area of **voluntary sector engagement**. Improvements include:
- Formalisation of the provision of information sharing protocols with partner agencies involved with our Phoenix scheme and with voluntary sector organisations, who deliver Home Fire Safety Checks on our behalf;
  - Partnership working is governed by agreements, protocols or memoranda of understanding relevant to the type of work or relationship involved;
  - A guidance document has been completed for Community Safety Education in schools and confirmation of the partnership objectives within the multi-agency Crucial Crew project. In addition a risk register has been compiled and a risk assessment completed for areas of work within Community Safety.

**Principle 2**  
**Members and Officers working together to achieve a common purpose with clearly defined functions and roles.**

- 6.1 The Fire and Rescue Authority is made up of 28 elected members from the six unitary authorities covered by the Fire and Rescue Service area in accordance with the North Wales Fire Service (Combination Scheme) Order 1995.

The role of the Authority, which can be found on the website, is defined within its **Standing Orders**:

- To perform all the duties and responsibilities of a Fire and Rescue Authority in accordance with appropriate legislation and regulations, in particular the Fire and Rescue Services Act 2004, and the Regulatory Reform (Fire Safety) Order 2005 - which came into force on 1 October 2006, and the 1995 Combination Scheme.
- To agree the annual service plans the revenue and capital budgets and the contribution for the constituent councils.
- To monitor the revenue and capital budgets and deal with any significant variations, including decisions on any supplementary contributions.

The full Authority meets four times per year in March, June, September and December and considers such topics as service plans, routine business matters, budgets and spending, and to take or approve policy decisions as appropriate. Extraordinary meetings of Authority can be called at any time if urgent business requires to be transacted. All Authority meetings are open to the public.

The Chair and Deputy Chair are elected at the annual meeting held in June.

The Authority's correct functioning is further supported by its Clerk and Treasurer. Meetings are open to the public, and records of the Authority's transactions are available.

- 6.2 **The Authority has adopted the WLGA / CLILC Fire and Rescue Authority Member Role Descriptions and Person Specification.** These role descriptions set out the responsibilities and functions of the role of elected Member and the person specifications based upon a set of descriptions and general requirements of the roles of Members that were created by the Welsh Local Government Authority (WLGA).
- 6.3 The Authority has established a **Protocol on Member and Officer Relations** to ensure effective communication between Members and Officers. It codifies existing good practice in Member/Officer relations.
- 6.4 A **Scheme of Delegation** to the Chief Fire Officer is in place which documents decision making powers delegated to the Chief Fire Officer to take any such decisions on the Authority's behalf.



- 6.5 **Policy and decision-making** is facilitated through the **Executive Group**. This strategic group consists of the Chief Fire Officer, Deputy Chief Fire Officer and three Assistant Chief Fire Officers who meet every six weeks to review standing items including performance, risk and financial management and development of internal policy and procedures.
- 6.6 The **Executive Panel** has a varied role dealing with such topics as examining the detail of improvement and financial plans, dealing with certain audit matters and with policy and constitutional issues as the need arises. It usually deals with responses to consultation papers and other policy developments, and makes recommendations to the Fire and Rescue Authority on its key policies including the Combined Improvement and Risk Reduction Plan. The Panel also deals with senior appointments by setting up a special sub-committee for the purpose.
- 6.7 The **Audit Committee** was appointed with effect from the 2009/10 year. The Committee has four primary roles of audit and scrutiny; governance, financial and resource management, risk management and performance. Membership consists of all non-executive (panel) Members and meets on a quarterly basis. The Chair and Deputy Chair are appointed from different constituent authorities in the interests of representations of the communities of North Wales.
- 6.8 The **Standards Committee** was established in accordance with the requirements of the Local Government Act 2000 and its terms of reference were set in 2003. Its duties include the consideration of complaints against Authority members referred to it by the Ombudsman and the granting of dispensations. The committee consists of six members, four of whom are independent. The Fire and Rescue Authority representatives on this committee cannot be an office holder on the Authority. The Chair and Deputy Chair are drawn from the independent members. There has been a positive absence of any Member conduct referrals to the Standards Committee/Ombudsman in recent years.

**Principle 3**  
**Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.**

- 7.1 Policies are in place to ensure the Authority establishes ethical governance frameworks which include:
- Codes of Conduct for Officers and Members, which are regularly reviewed, updated and tested for compliance;
  - A policy maintaining a disciplinary process to deal with any breaches of the code of conduct for Officers;
  - A whistle-blowing policy widely communicated within the Service and which is regularly reviewed;
  - Registers of personal and business interests;
  - An agreed policy and associated corporate procedures for ensuring that complaints about services can be properly made and investigated, and for ensuring that any lessons can be applied.

- 7.2 The Clerk to the Fire and Rescue Authority is the designated '**Monitoring Officer**' in accordance with the Local Government and Housing Act 1989, and ensures compliance with established policies, procedures, laws and regulations. After appropriate consultation, this officer will report to the Authority in respect of any proposals, decisions or omissions which could be unlawful. The Authority's established **anti-fraud and corruption** arrangements provide a deterrent, promote detection, identify a clear pathway for investigation and encourage prevention. These include procedures designed to combat money-laundering.
- 7.3 The **Internal Audit** function operates to the standards set out in the 'Code of Practice for Internal Audit in Local Government in the United Kingdom, 2006' produced by CIPFA. The Audit Manager reports to the Audit Committee a summary of audit findings annually, and also reports annually an opinion on the overall adequacy and effectiveness of the Authority's control environment. The Authority outsources its Internal Audit function to Conwy County Borough Council as part of its Treasury and Financial Services SLA. The Internal Audit service, which is independent in its planning and operation and is designed to give assurance that the Authority maintains adequate systems of internal control and makes recommendations on the ways to enhance these where it feels necessary. The Head of Audit Services has direct access to the Chief Fire Officer, all levels of management and elected Members.
- 7.4 The Authority has an objective and professional relationship with its **external auditors**. In September 2013, the Wales Audit Office and KPMG presented to the Audit Committee its 'Audit of Accounting Statements' Report, which stated their intention to issue an unqualified Auditor's Report on the accounting statements and related notes for 2012/13. The detailed report confirmed that the Authority's accounting statements give a true and fair view of the financial position as at 31 March 2013 as evidenced by the Relationship Manager's Annual Letter. This can be found on the Authority's website.

**Principle 4**  
**Taking informed and transparent decisions which are subject to effective scrutiny and managing risk**

- 8.1 The Authority outsources its **Internal Audit** function to Conwy Council Borough Council as part of its Treasury and Financial Services SLA. The Service, which is independent in its planning and operation, complies with CIPFA's Code of Internal Audit Practice in the UK 2006 and is designed to give assurance that the Authority maintains adequate systems of internal control and makes recommendations on the ways to enhance these where it feels necessary. The Head of Audit Services has direct access to the Chief Fire Officer, all levels of management and elected members. The Internal Audit service is delivered on the basis of a needs assessment, a risk based approach to determining the needs of the Authority at the start of each year and detailed in operational plans which are presented to the Audit Committee on an annual basis for approval.
- 8.2 The **Audit Committee** monitors the effective development and operation of corporate risk management in the Authority, monitors the work of internal and external auditors and monitors the relationships between auditors and staff and the responses to audit and inspection recommendations. The Committee has responsibility for scrutinising all financial reports and making recommendations to the Fire and Rescue Authority as to their findings. It has in the past few years been given delegated responsibility for approving the annual

Statement of Accounts and its associated reports, including this report as well as the Internal Audit Annual Statement of Assurance and Annual Audit Plan. The Committee's membership consists of all non-executive panel members and meets a minimum of twice per year. The Chair and Deputy Chair are appointed from different constituent authorities in the interests of representations of the communities of North Wales.

- 8.3 The Authority has published a **Business Continuity Management (BCM)** policy. Each department within the Service has developed individual functional business continuity plans. Following risk analysis the plans cover various scenarios and measures taken to ensure resilience to potential disruptions including situations such as industrial dispute action. The plans have clearly defined and allocated responsibility for business continuity management within the Service; giving equal importance to corporate and operational business continuity management to ensure that no area has been overlooked and that recovery plans are robust. The Service continues to develop a programme of testing and exercising to check the validity of existing plans.
- 8.4 The Authority maintains a **Publication Scheme**, which is available on the website along with the minutes of all Authority meeting.
- 8.5 The Authority complies with **Freedom of Information (FOI)** legislation via its FOI policy published in February 2011. An Internal Audit of the Authority's FOI procedures confirmed that the Authority was meeting its statutory duty and responding within stipulated timescales.
- 8.6 The Authority maintains a **Whistleblowing** Policy, whereby Members, staff and external stakeholders can raise concerns about behaviour of anyone connected with the work of the Authority.
- 8.7 The Authority's Monitoring Officer maintains a **Register of Members Personal and Business Interests**, in accordance with the Code of Conduct.

**Principle 5**  
**Developing the capacity and capability of members and officers to be effective**

- 9.1 The Authority's **recruitment** procedures provide equality of employment opportunities. An **equality-assessed pay structure** meets the requirements of the Single Status Agreement of 1997. All members of staff are issued with a contract, job description and have an annual performance development review.
- 9.2 The Authority recognises the importance of an informed, competent and motivated workforce to successfully deliver its services. The Service is committed to developing an environment which promotes continuous development, improvement and innovation. Each employee has an **Individual Development Review** on an annual basis. This process will soon be replaced by an Appraisal System, which will be recorded on the PDR Pro platform.
- 9.3 The Authority holds the WLGA Charter for **Member Support and Development**, and therefore has in place established procedures to assess the training needs of Members. The aim of the Charter is to ensure that authorities are served by effective Members working to improve corporate governance, local democracy and local services.
- 9.4 **The Fire Professional Framework** has been developed to provide a framework for achieving competence for operational firefighters and commanders, to ensure they can use

their skills, knowledge and understanding safely in an operational environment. It defines operational competence and then looks how National Occupational Standards (NOS) can be used to assess competence thereby reducing risk. The framework is designed to supersede IPDS.

- 9.5 The Authority has worked alongside the other two Welsh Services to develop **career development pathways** for all roles within the organisation; this allows individuals to identify the requirements of various career paths. The pathways will also be used for succession planning.
- 9.6 Through its **Equality and Diversity Policy** and **Strategic Equality Plan** the Authority is committed to delivering equal opportunities in employment across the organisation. It is policy to ensure that all applicants and employees are treated fairly and with care and promote a harmonious working environment for all staff, free from harassment and victimisation.
- 9.7 The Authority's **Welsh Language Scheme 2010-2013** includes the Authority's Welsh language obligations in relation to its workforce. The Authority has adopted the principle that in the conduct of public business in Wales it will treat the English and Welsh languages on a basis of equality. Staff are required to comply with the policy requirements as detailed in the Scheme.
- 9.8 Staff are kept informed about issues relating to the Service. A 'Weekly Brief' service provides staff with information such as the Chief Officer's Update, issues appearing in the media and other important events and dates happening within the Service. Y Fflam is the staff newsletter that is distributed bi-monthly and is available on the intranet.

**Principle 6**  
**Engaging with Local People and other stakeholders to ensure robust public accountability**

- 10.1 The Authority acknowledges that it needs to communicate with the people who live in, work in or visit the region, to educate and inform people about its prevention, protection and responding activities. The **Corporate Communications Department** has day to day responsibility for co-ordinating internal and external communications, media relations, the Welsh language policy and translation. Positive publicity in the media enhances the reputation of the Service and promotes the aim of making North Wales a safer place to live, work and visit.
- 10.2 The Authority has established a **Corporate Communications Strategy 2014-19: Putting People First**, which sets out the principles and approach to be followed to ensure continuous improvement in the work to communicate with key stakeholders. In addition the Authority is part of an **All Wales Memorandum of Understanding: Our Strategic Direction**, which has been produced by the All Wales Communications Group. Its purpose is to assist the three Welsh FRAs adopt a common and generic approach to public engagement and consultation.

- 10.3 In addition, the Authority is committed to offering the public a real language choice. Through its **Welsh Language Scheme** it recognises that service users are able to express their views and needs better in their preferred language and offering this is good practice not a concession.
- 10.4 The Authority's stakeholders are consulted in regard to determining the priorities needed to realise the vision set out in the **Combined Improvement and Risk Reduction Plan**. The report published in March 2013, outlines how the Authority will make improvements and reduce risk as well as setting improvement objectives for 2013/14 and 2014/15. The Authority conducted a public consultation to ensure that there was wider support for the proposals. 74% thought the Authority had identified the right priorities.
- 10.5 The Deputy Chief Fire Officer and other Senior Officers hold formal, negotiating meetings with members of the Authority's representative bodies on a regular basis to consult on both key policies and Service delivery changes. These are chaired by the Deputy Chief Fire Officer in order that there is an appeal mechanism to the Chief Fire Officer.

## 11 Review of Effectiveness

- 11.1 The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Executive Group and other senior officers within the Authority who have responsibility for the development and maintenance of the governance environment, the Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and other reviews undertaken.
- 11.2 A statement of assurance has been discussed and approved by the Audit Committee as to the effectiveness of the governance arrangements for which it is responsible, including the system of internal control. The statement of assurance covers all the principles set out in the Authority's Code of Corporate Governance. The statement of assurance reveals no areas of weakness in the Authority's corporate governance arrangements; the arrangements are in all cases at least adequate and in the majority of areas good.
- 11.3 In maintaining and reviewing the effectiveness of the Authority's governance arrangements the following have been considered:-
- i) the Internal Audit function performs regular reviews of the financial systems and controls to provide assurance to the Authority through its Audit Committee;
  - ii) WAO and KPMG consider the overall control environment to be generally sound, with robust systems of internal financial control and financial management arrangements in operation;
  - iii) the Internal Audit function, whose work takes account of identified risks through regular audits of the major systems, establishments and major projects in accordance with the annual internal audit plan, and which includes 'follow-up' work to ensure that Principal Officers implement agreed recommendations;
  - iv) the annual assessment of Internal Audit by the Authority's external auditors, concludes that, Internal Audit complies with CIPFA's 'Code of Practice for Internal Audit in Local Government in the United Kingdom 2006';

- v) the work of the Authority's committees;
- vi) the opinions and recommendations of the Authority's external auditors and other inspection and review agencies;
- vii) regular monitoring of performance against the Improvement Plan and service plans and of key targets and reporting of this to Authority Members.

## 12 Recommendations for Improvement

12.1 In respect of those 'significant control issues' included in the Statement on Internal Control for the previous financial year (2012/13), progress in 2013/14 was as follows:

Code of Governance Review	Review/update the Authority's Code of Governance and Annual Governance Statement in line with the National Issues Committee.	On hold following the audit of the NIC in 2013.
Establish a Consultation and Engagement Strategy	Consider how we currently consult and engage with the public; investigate ways of improving the process.	Completed
Improve benchmarking	Use of a like for like comparator; further collaboration with the two other FRAs in Wales.	Ongoing
Improve internal, role specific competences	Roll out the provision of PDR competency framework to support staff, and monitor the effectiveness.	Completed

12.2 The Authority has effective controls and governance but is not complacent. This Annual Governance Statement as well as a recent audit carried out on the Authority's governance arrangements has identified areas where further improvements need to be made.

### 12.3 Annual Governance Statement 2013/14 Action Plan - New Actions for 2014/15:

Improve understanding of the Authority's decision making process for stakeholders	Establishment of a <b>Constitution</b> via a single document to regulate the behaviour of individuals and groups through codes of conduct, protocols and standing orders.	Members Liaison Officer
Review of Financial Regulations and Anti-Fraud and Corruption Policy	Review and update of the Authority's <b>Financial Regulations and Anti-Fraud and Corruption Policy</b> to reflect current legislation and practices in order to provide staff with appropriate guidance.	Financial Services Manager
Review of Contract Standing Orders	Review and update of the Authority's <b>Contract Standing Orders</b> to reflect current legislation and to set a clear methodology for the procurement of goods, works services and utilities.	Financial Services Manager
Establishment of Officers' Declaration of Interests Policy and Register	Establishment of an <b>Officers' Declarations of Interests Policy and Register</b> to ensure that all officers' declare any relationships, involvements or interests of a financial or non-financial nature, which may result in a conflict of interests with the Authority.	Members Liaison Officer
Establishment of a Risk Management Policy and Corporate Risk Register	Establishment of a <b>Risk Management Policy and Corporate Risk Register</b> in order to identify, evaluate and manage the Authority's key strategic risks.	Corporate Planning Manager
Establishment of a Sustainability and Environmental Strategy	Establishment of a <b>Sustainability and Environmental Strategy</b> , in order to clarify what the Authority believes to be its area of influence on sustainable development and to set out the main principles, proposals and required actions as well as stating its commitment to reducing the environmental impacts of its activities and operations.	Environmental and Energy Conservation Manager

### **13 Assurance Summary**

- 13.1 Good governance is the foundation for the delivery of good quality services that meet all stakeholders' needs and it is fundamental to showing that public money is well spent. Based on the review, assessment and on-going monitoring work undertaken during 2013/14, we have reached the opinion that good governance arrangements are in place, key systems are operating soundly and that there are no fundamental control weaknesses in evidence. However, no system of control can provide absolute assurance against misstatement or loss. Based on the various assurances given, this statement is intended to provide reasonable assurance that satisfactory corporate governance arrangements are in place and working effectively.
- 13.2 We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

**Signed:**  
**(Chief Fire Officer)**

**2014**

**Signed:**  
**(Chair NWFRA)**

**2014**



Anthony Barrett  
Wales Audit Office  
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Cardiff  
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Eich Cyf/Your Ref:  
Ein Cyf/Our Ref: SF/M27  
Dyddiad/Date: 22 September 2014  
Gofynner am/Ask for: D Docx  
Rhif Union/Direct Dial: 01745 535254

KPMG LLP  
3 Assembly Square  
Britannia Quay  
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Dear Sirs

### **2013/2014 Statement of Accounts of North Wales Fire Authority**

This representation letter is provided in connection with your audit of the financial statements of North Wales Fire Authority (the Authority) and the firefighters' pension fund for the year ended 31 March 2014 for the purpose of expressing an opinion on their truth and fairness.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

### **Management representations**

#### **Responsibilities**

We have fulfilled our responsibilities for the preparation of the financial statements in accordance with legislative requirements and Code of Practice on Local Authority Accounting in the United Kingdom 2013/14; in particular the financial statements give a true and fair view in accordance therewith.

We acknowledge our responsibility for the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

#### **Information provided**

We have provided you with:

- full access to:
  - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;

- our knowledge of fraud or suspected fraud that we are aware of and that affects North Wales Fire Authority and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements.
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements; and
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

### **Financial statement representations**

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. There have been no uncorrected misstatements.

### **Representations by North Wales Fire Authority**

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

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the North Wales Fire Authority on 22 September 2014.

Yours faithfully

**Chair of the Authority**  
**Date** 22 September 2014

**Treasurer to the Authority**  
**Date** 22 September 2014