

## Audit of Accounts Report – North Wales Fire and Rescue Authority

Audit year: 2020-21

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

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We intend to issue an unqualified audit report on your Accounts. There are some issues to report to you prior to their approval.

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# Audit of Accounts Report

## Introduction

- 1 We summarise the main findings from our audit of your 2020-21 accounts in this report.
- 2 We have already discussed these issues with the Assistant Chief Fire Officer (Finance and Resources) and her team
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £936,000 for this year's audit of the main financial statements and at £184,000 for the Fire Fighters Pension Fund.
- 5 There are some areas of the accounts that may be of more importance to the reader and we have set a lower materiality level for these, as follows:
  - Related Party Disclosures £10,000
  - Senior officer remuneration £1,000
- 6 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.

## Impact of COVID-19 on this year's audit

- 7 The COVID-19 pandemic has had a significant impact on all aspects of our society and continues to do so. You are required by law to prepare accounts and it is of considerable testament to the commitment of your accounts team that you have succeeded in doing so this year in the face of the challenges posed by this pandemic. We are extremely grateful to the professionalism of the team in supporting us to complete our audit in such difficult circumstances.
- 8 The pandemic has unsurprisingly affected our audit and we summarise in **Exhibit 1** the main impacts. Other than where we specifically make recommendations, the detail in **Exhibit 1** is provided for information purposes only to help you understand the impact of the COVID-19 pandemic on this year's audit process.

## Exhibit 1 – impact of COVID-19 on this year’s audit

<b>Timetable</b>	Officers provided us with the draft accounts on 28 May 2021 as planned. This is in line with last year and complies with regulatory deadlines. We expect your audit report to be signed by early August 2021.
<b>Electronic signatures</b>	Given current social distancing requirements, it will be difficult for signing and certification of the accounts in hard copy again this year. We will accept electronic signatures from you.
<b>Conducting the audit approach and obtaining audit evidence</b>	<p>Due to social distancing measures, Audit Wales and the majority of the Authority’s staff are currently working remotely from home. As a result, we adopted remote ways of working, building on our experience last year, by:</p> <ul style="list-style-type: none"><li>• updating our audit deliverables to clarify working paper requirements;</li><li>• holding weekly Microsoft teams meetings with officers throughout the audit to discuss progress and emerging issues;</li><li>• using a secure remote file transfer portal to safely share information; and</li><li>• arranging remote access to financial systems.</li></ul>

- 9 We will continue to review what we have learned for our audit process from the COVID-19 pandemic and whether there are innovative practices that we might adopt in the future to enhance that process.

## Proposed audit opinion

- 10 We intend to issue an unqualified audit opinion on this year’s accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**.
- 11 We issue a ‘qualified’ audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.
- 12 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards along with confirmation of other specific information you have provided to us during our audit.
- 13 Our proposed audit report is set out in **Appendix 2**.

## Significant issues arising from the audit

### Uncorrected misstatements

- 14 **Exhibit 2** sets out the misstatements we identified in the accounts, which have been discussed with management but remain uncorrected. We request that these are corrected. If you decide not to correct these misstatements, we ask that you provide us with the reasons in writing for not correcting them.

#### Exhibit 2 – uncorrected misstatements

<b>An insurance accrual of £61,612 is incorrectly classified as a creditor</b>	Note 17 'Creditors' included a brought forward insurance accrual of £61,612 in error. The balance should have been reversed and excluded from the 2020-21 financial statements as the relevant amounts attributable to the accrual were already accounted for in Note 18 'Provisions' and the 'Legal Liability' earmarked reserve in Note 19. The Authority informed us that it does not propose to amend for the issue in 2020-21 but will ensure it is correctly reversed within the 2021-22 financial statements.
<b>Pension Deficit single lump sum payment</b>	<p>The Authority made a single lump sum pensions deficit payment of £958,490 to the Clwyd Pension Fund covering the three financial years from 2020-21 to 2022-23 of which one year has been debited to the Comprehensive Income and Expenditure Account. The remaining two years charges have been included as short-term and long-term prepayment totalling £650,431 relating to 2021-22 and 2022-23 in Note 15 'Debtors'.</p> <p>The pre-payment has also been taken into account in the IAS 19 Retirement Benefits actuarial valuation and included in the pension fund assets valuation in Note 33 'Transaction Relating to Post-Employment Benefits'. Consequently, the treatment as a pre-payment gives rise to double counting of the asset in the Authority's financial statements.</p> <p>The statutory requirements for the local government pension scheme are set out in the Local Government Pension Scheme Regulations 2013 (the 2013 Regulations). Accounting requirements are specified in the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 (the 2003 Regulations). Regulation 24 of the 2003 Regulations requires the Authority to charge to a revenue account the amount equal to the payments made in the year. The full amount of payment should be debited to the General Fund in 2020-21 via the Movement in Reserves Statement with a corresponding credit to the pension reserve.</p>

## Corrected misstatements

- 15 There were initially misstatements in the accounts that have now been corrected by management. However, we believe that these should be drawn to your attention and they are set out with explanations in **Appendix 3**.

## Other Significant Issues arising from the Audit

- 16 In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you. There are issues arising that we are reporting to you.
- 17 Whilst we recognise that the Authority has made good progress in improving the quality of its financial statements in previous years and had to respond to the challenges posed by the Covid-19 pandemic on its closedown arrangements, we still identified a large number of errors and inconsistencies in the financial statements which impacted on the delivery and timeliness of our audit work. The Authority should further develop its quality assurance arrangements for reviewing the financial statements prior to them being submitted for audit to reduce the number of errors and inconsistencies.
- 18 Difficulties were also encountered with testing the Authority's Land and Building quinquennial revaluation resulting in our work taking longer than planned. Valuations provided by the external valuer to support the entries in Note 11 'Property, Plant and Equipment and Intangible Assets' contained a number of errors as:
- the valuation data for the buildings at Flint Fire Station was incorrect based upon a duplication of the Deeside Fire Station building valuation;
  - an element of the Bangor Fire station was incorrectly valued as a training building when it is an Ambulance Station (held under an operating lease by the Welsh Ambulance Service NHS Trust); and
  - transposition errors were included for the cost per square meter applied to 22 garage bays that did not comply with RICS guidance.
- 19 The Authority should look to strengthen the quality assurance arrangements of the information provided by the valuer when undertaking the next 5 yearly valuation exercise of its land and buildings.

# Appendix 1

## Final Letter of Representation

The Fire and Rescue Authority' letterhead

Auditor General for Wales

Wales Audit Office

24 Cathedral Road

Cardiff

CF11 9LJ

18 October 2021

## Representations regarding the 2020-21 financial statements

This letter is provided in connection with your audit of the financial statements of North Wales Fire and Rescue Authority for the year ended 31 March 2021 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

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 the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21; in particular the financial statements give a true and fair view in accordance therewith.
- 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 and Rescue 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.
- 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. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

There are two uncorrected misstatements in the financial statements relating to a Pension Deficit single lump sum payment and the miss-classification of an insurance accrual as a creditor. It has been decided not to adjust for the errors because of the ripple effect through the financial statements that would require many changes. The misstatements are not material to the financial statements.

## **Representations by the North Wales Fire and Rescue 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 Executive Panel on 18 October 2021.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Ken Finch

Treasurer

18 October 2021

Councillor Peter Lewis

Chair of the Fire and Rescue Authority

18 October 2021

# Appendix 2

## Proposed independent auditor's report of the Auditor General for Wales to the members of North Wales Fire and Rescue Authority

### Opinion on financial statements

I have audited the financial statements of North Wales Fire and Rescue Authority for the year ended 2021 under the Public Audit (Wales) Act 2004.

North Wales Fire and Rescue Authority's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21.

In my opinion the financial statements:

- give a true and fair view of the financial position of North Wales Fire and Rescue Authority as at 31 March 2021 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21.

### Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt

on the Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

## **Other Information**

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## **Report on other requirements**

### **Opinion on other matters**

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21;
- The information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with guidance.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of the Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report and Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;

- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

## **Responsibilities**

### **Responsibilities of the responsible financial officer for the financial statements**

As explained more fully in the Statement of Responsibilities for the Statement of Accounts on page 4, the responsible financial officer is responsible for the preparation of the statement of accounts, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

### **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

Adrian Crompton  
Auditor General for Wales  
October 2021

24 Cathedral Road  
Cardiff  
CF11 9LJ

# Appendix 3

## Summary of Corrections Made

During our audit we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

### Exhibit 3: summary of corrections made

Nature of correction	Reason for correction	Impact
<p><b>Note 11 ‘Property, Plant and Equipment and Intangible Assets Land and Buildings’</b> was amended as follows:</p> <ul style="list-style-type: none"> <li>• Lines titled ‘Write off depreciation as at the 1 April 2020’ of £3,947,000 was deleted with the value split between ‘Revaluations recognised in the Revaluation Reserve’ or ‘Recognised in the Surplus/Deficit on the provision of services’.</li> <li>• The ‘Gross Book Value’ was amended as follows:               <ul style="list-style-type: none"> <li>○ ‘Revaluation increases/(decreases) recognised in the Revaluation Reserve’ amended from £(343,000) to £(1,362,000).</li> <li>○ ‘Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services’ amended from £(2,211,000) to £(5,336,000).</li> </ul> </li> <li>• ‘Accumulated Depreciation’ was amended as follows:               <ul style="list-style-type: none"> <li>○ ‘Depreciation/Amortisation for the year’ amended from £(614,000) to £(607,000).</li> </ul> </li> </ul>	<p>The note was amended to show the gross movements to the Surplus (deficit) on the Provision of Services and Revaluation Reserve within the cost and accumulated depreciation sections of the note.</p> <p>Issues also arose from the revaluation of Land and Buildings:</p> <ul style="list-style-type: none"> <li>• The values of Deeside and Flint Fire station land and building as the valuer incorrectly duplicated the valuation of the Flint Fire station. The Authority also incorrectly applied the land valuation of Flint to Deeside and vice versa.</li> <li>• The valuer had incorrectly valued part of the Bangor Fire Station as a ‘training building’ rather than as an ‘ambulance station’ which is held under an operating lease by the Welsh Ambulance Service Trust.</li> <li>• The valuer applied transposition errors within the calculations of the cost per square meter applied to 22 garage bays which did not comply with RICS</li> </ul>	<p>The impact on Note11 is documented within the first column.</p> <p>These adjustments have also impacted upon Not 20 ‘Unusable Reserves’ for the ‘Revaluation Reserve’ and ‘Capital Adjustment’ Account as follows:</p> <p>‘Revaluation Reserve’ amendments:</p> <ul style="list-style-type: none"> <li>• Downward revaluation of assets not charged to the Surplus/Deficit on the Provision of Services amended from £(344,000) to £(678,000).</li> <li>• Difference between fair value depreciation and historical cost depreciation amended from £(126,000) to £(124,000).</li> </ul> <p>‘Capital Adjustment Account’ amendment:</p> <ul style="list-style-type: none"> <li>• Adjustments relating to the Revaluation of Assets amended from £(2,211,000) to £(2,473,000).</li> <li>• Charges for depreciation &amp; impairment of non-current assets amended from £(2,358,000) to £(2,353,000).</li> </ul>

<ul style="list-style-type: none"> <li>○ 'Depreciation written out to the Revaluation Reserve' changed to £1,084,000 following this value previously being included within the 'write off depreciation' of £3,947,000.</li> <li>○ 'Depreciation written out to the Revaluation Reserve' changed to £1,084,000 following this value previously being included within the disclosure of 'write off depreciation' of £3,947,000</li> <li>○ The 'Net Book Value' impact is an overall downward revaluation of £590,000.</li> </ul>	<p>guidance. This resulted in assets being overstated.</p>	<p>The adjustments impacted on the 'Movement in Reserves Statement' specifically Note 6 which details the 'Adjustments between accounting basis and funding basis under regulations'. The following amendments were also made:</p> <ul style="list-style-type: none"> <li>● 'Revaluation losses/gains on Property, Plant and Equipment' amended from £2,211,000 to £2,473,000.</li> <li>● 'Charges for depreciation and impairment of non-current assets' amended from £2,484,000 to £2,477,000.</li> </ul>
<p><b>Note 12 'Financial Instruments – Categories of Financial instruments – Current at 31 March 2020 – Debtors – Loans and receivables'</b> was amended from £3,528,000 to £3,448,000.</p>	<p>The prior year debtor restatement was misstated and did not agree with Note 15 'Debtors' as it included long-term debtors of £80,000 in error as these had been included within current debtors also.</p>	<p>The amendment had no other impact on the financial statements. <b>Presentation disclosure only.</b></p>
<p><b>Note 15 'Debtors'</b> re-statement for 2019-20 was amended:</p> <ul style="list-style-type: none"> <li>● 'Trade' from £2,714,000 to £2,794,000.</li> <li>● 'Payments in Advance' from £374,000 to £294,000.</li> </ul>	<p>The prior year debtor restatement was misstated as the £80,000 relating to the long-term Payment in Advance was deducted from Trade debtors rather than Payments in Advance in error.</p>	<p>The amendment had no other impact on the financial statements. <b>Presentation disclosure only.</b></p>
<p><b>Note 17 'Creditors'</b> was amended:</p> <ul style="list-style-type: none"> <li>● 'Other' from £945,000 to £1,302,000.</li> <li>● 'Trade' from £4,001,000 to £1,846,000.</li> </ul>	<p>Two issues were identified which are as follows:</p> <ul style="list-style-type: none"> <li>● The Authority identified a miss-classification of £357,000 between trade and other creditors.</li> </ul>	<p>The classification adjustment between trade and other of £357,000 had no other impact on the financial statements.</p> <p>The corresponding adjustment for agency adjustments being</p>

	<ul style="list-style-type: none"> <li>The Authority included agency creditors with corresponding debtors within 'Trade Creditors' of £1,798,000 in error which does not comply with The Code of Practice on Local Authority Accounting in the United Kingdom 2020-21.</li> </ul>	incorrectly included within Note 17 creditors was an adjustment to Note 15 debtors of £1,798,000 reduction to Short Term trade debtors.
<p><b>Accounting Policy 18 'Inventories'</b> was amended to reflect inventories are valued at the most recent cost.</p>	The accounting policy for valuing stock on a Last in First Out (LIFO) basis did not reflect the accounting policy applied for valuing inventories.	The amendment had no other impact on the financial statements. <b>Presentation disclosure only.</b>
<p><b>Note 20 'Unusable Reserves – Capital Adjustment Account'</b> amended as follows:</p> <ul style="list-style-type: none"> <li>Table removed the disclosure of 'Derecognition other' of £253,000 as this value has not been posted to the reserve.</li> <li>Table has been amended to include a separate line disclosure for Revaluation Movements.</li> </ul>	<p>The disclosure of £253,000 as an entry within the Capital Adjustment Account is not in line with the accounting treatment applied.</p> <p>The table incorrectly identified Revaluation Movements as impairments.</p>	The amendment had no other impact on the financial statements. <b>Presentation disclosure only.</b>
<p><b>Note 23 'Cash Flow Statement – Financing Activities'</b> was amended:</p> <ul style="list-style-type: none"> <li>'Cash receipts of short-term and long-term borrowing' from £(8,167,000) to £(8,077,000).</li> <li>'Repayments of short-term and long-term borrowing' from £13,006,000 to £12,957,000.</li> </ul>	Cash receipts and repayments of short-term and long-term borrowing incorrectly included accruals that are non-cash movements and had already been accounted for within Note 21 'Cash Flow Statement - Operating Activities' as part of the 'Increase/(Decrease) in Creditors'.	The amendment had no other impact on the financial statements. <b>Presentation disclosure only.</b>



<p><b>Note 25 the totals for ‘Senior Officers’ Remuneration – Pension Contributions’</b> column was amended for officers to include their apportionment of the lump sum deficit payment payable to the Local Government Pension Fund based on a percentage of total pensionable pay.</p>	<p>Senior Officers Pensions deficit payment contributions excluded the pension deficit lump sum paid in year in respect of the two future financial years which was attributable to Senior Officers. This is contrary to the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21, The Local Government Pension Scheme Regulations 2013 and the Accounts and Audit (Wales) Regulations 2014.</p>	<p>The amendment had no other impact on the financial statements. <b>Presentation disclosure only.</b></p>
<p><b>Note 25 ‘Senior Officers Remuneration – Benefit in Kind’</b> for the Temporary Assistant Chief Officer was amended from £11,056 to £12,531.</p>	<p>The amount disclosed was understated as an estimated calculation had been used prior to the P11D form submission to HMRC. The P11D form showed a higher value than the estimated calculation.</p>	<p>The amendment had no other impact on the financial statements. <b>Presentation disclosure only.</b></p>
<p><b>Note 28 ‘Agency Services’</b> was amended:</p> <ul style="list-style-type: none"> <li>• ‘New Dimensions/All Wales Resilience’ from £3,254,000 to £2,845,000.</li> <li>• ‘Phoenix’ from £236,000 to £206,000.</li> </ul>	<p>An element of 2019-20 ‘New Dimensions/All Wales Resilience’ agency costs were included within both the 2019-20 and 2020-21 balance in error.</p>	<p>The adjustments decreased the total agency funding for 2020-21 from £3,674,000 to £3,235,000. The amendment had no other impact on the financial statements.</p>
<p><b>Note 29 ‘Related Parties’</b> was amended to include transactions with ‘Dangerpoint’:</p> <ul style="list-style-type: none"> <li>• 2019-20 £27,966.</li> <li>• 2020-21 £36,514.</li> </ul>	<p>The Assistant Chief Fire Officer declared an interest as a trustee of Dangerpoint that was omitted from Note 29.</p>	<p>The adjustment had no other impact on the financial statements. <b>Presentation disclosure only.</b></p>
<p><b>Note 31 ‘Leases – Finance Lease’</b> carrying value was amended from £4,910,000 to £4,586,000.</p>	<p>The net carrying value of the finance lease for Wrexham Fire Station incorrectly included the land value of the property of £223,000.</p>	<p>Corresponding adjustments were made to Note 11 ‘Property, Plant and Equipment and Intangible Assets ‘Land and Building’s to remove the</p>

		capitalised land value of £223,000 and reduce the Revaluation Reserve by £223,000 within Note 20 Unusable Reserves.
<p><b>Note 33 ‘Transactions relating to post-employment Benefits Recognised in the accounts – Unfunded – Movement in Reserves Statement’</b> table was amended:</p> <p>Reversal of net charges made to the surplus or deficit on the Provision for post-employment Benefits in Accordance with the Code’ was amended from £(7,258,000) to £(15,130,000).</p>	<p>The reversal of net charges made to the surplus or deficit on the Provision of Services did not agree with the remainder of the disclosure note and the accounting treatment applied.</p>	<p>The adjustment had no other impact on the financial statements.</p> <p><b>Presentation disclosure only.</b></p>
<p><b>Note 35 ‘Contingent liabilities’</b> has omitted the £100,000 possible legal insurance claims.</p>	<p>The Contingent liabilities disclosure omitted the £100,000 relating to possible legal insurance claims which meet the definition of a contingent liability.</p>	<p>The adjustment had no other impact on the financial statements.</p> <p><b>Presentation disclosure only.</b></p>
<p><b>The Firefighters’ Pension Fund Account</b> has been updated as follows:</p> <ul style="list-style-type: none"> <li>• ‘Contributions receivable: Employer ill health charge’ from £0 to £152,000.</li> <li>• ‘Benefits payable: Pensions paid’ from £7,546,000 to £7,698,000.</li> </ul>	<p>The Firefighters’ Pension Fund account netted off employer ill health charges funded through revenue within the benefits payable through pension payments made.</p>	<p>The revisions to the Firefighters’ pension Fund Account had no other impact on the financial statements.</p> <p><b>Presentation disclosure only.</b></p>

The **Annual Governance Statement** was updated to include reference matters raised in our performance audit reports on:

- Review of Corporate Resilience issued April 2021.
- Review of Involvement issued April 2020.

To ensure the Annual Governance Statement fully met the requirements CIPFA/SOLACE 'Delivering Good Governance in Local Government Framework'.

The revisions to the Annual Governance Statements had no other impact on the financial statements.

**Presentation disclosure only.**



Audit Wales

24 Cathedral Road  
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: [info@audit.wales](mailto:info@audit.wales)

Website: [www.audit.wales](http://www.audit.wales)

We welcome correspondence and telephone calls in Welsh and English.  
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.