



Audit Completion Report

Cleveland Fire Authority – year ended 31 March 2025

February 2026

Members of the Audit and Governance Committee and Authority

Cleveland Fire Authority

Cleveland Fire and Rescue Service Headquarters

Endeavour House

Queens Meadow Business Park

Hartlepool

TS25 5TH

11 February 2026

Dear Committee Members,

Forvis Mazars

The Corner

Bank Chambers

26 Mosley Street

Newcastle upon Tyne

NE1 1DF

Audit Completion Report – Year ended 31 March 2025

We are pleased to present our Audit Completion Report for Cleveland Fire Authority “the Authority” for the year ended 31 March 2025. The purpose of this report is to summarise our audit and to explain how the absence of group financial statements, alongside the statutory backstop arrangements introduced by the Accounts and Audit (Amendment) Regulations 2024, have affected the completion of our work and the reporting consequences.

This report is intended solely for the members of the Audit and Governance Committee and Authority for the purpose of communicating certain matters that, in our professional judgement, are relevant to your oversight of the financial reporting process. To the fullest extent permitted by law Forvis Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk.

We appreciate the courtesy and co-operation extended to us by your team throughout our audit. We would be happy to discuss the contents of this report, or any other matters regarding our audit, with you in more detail.

We will continue to work closely with you and management to take the necessary steps to rebuild assurance over future accounting periods. We will provide more details as part of our 2025/26 Audit Strategy Memorandum.

Yours faithfully

Signed: 
James Collins (FEB 11, 2026 09:01:08 GMT)

James Collins

Forvis Mazars LLP

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Our reports are prepared in the context of the 'PSAA Statement of Responsibilities of Auditors and of Audited Bodies' and the 'Appointing Person Terms of Appointment' issued by Public Sector Audit Appointments Limited. This document is to be regarded as confidential to Cleveland Fire Authority. It has been prepared for the sole use of the Audit and Governance Committee and Authority as the appropriate sub-committee charged with governance. We do not accept any liability or responsibility to any other person in respect of the whole or part of its contents.

01

Executive Summary

Executive summary

Scope

We are appointed to perform the external audit of of Cleveland Fire Authority for the year ended 31 March 2025 which are prepared in accordance with the 2024/25 Code of Practice on Local Authority Accounting.

Our audit of the financial statements has been conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit methodology, and in accordance with the Code of Audit Practice.

Impact of Cleveland Fire Brigade Risk Management Services

Cleveland Fire Brigade Risk Management Services (CFB RMS) is a subsidiary of Cleveland Fire Authority. In order to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, the Authority was required to prepare group financial statements to reflect its material interest in CFB RMS. However, the Authority has been unable to do so following the approval of a winding up resolution on CFB RMS approved on 31 July 2025. Prior to this date, the Authority had been unable to obtain the necessary information required to prepare group financial statements.

The failure to produce group financial statements has restricted the scope of our audit. Specifically, we have been unable to obtain sufficient appropriate evidence regarding the financial information of the subsidiary and the adjustments that would have been required to present consolidated group financial statements. The lack of group accounts is considered to be pervasive to the financial statements as a whole and as such we intend to report the disclaimer as arising from a significant limitation in the scope of our audit.

Impact of the backstop legislation

Under normal circumstances, our objectives would be to form and express an opinion on whether the financial statements present a true and fair view of the Authority's financial affairs for the year and whether they have been prepared, in all material respects, in accordance with the Code of Practice on Local Authority Accounting.

A range of factors have led to a backlog in financial reporting in recent years. Legislation passed by government in 2024 (the Accounts and Audit (Amendment) Regulations 2024) addresses the backlog by introducing a 'backstop date' for the publication of financial statements, even if the audits had not been completed. This is intended to enable the sector to focus on the current financial position rather than historic information.

It has not been possible to complete sufficient procedures as part of the current year's audit to enable us to issue a non-disclaimed opinion. For this reason, we will be issuing a disclaimed opinion in time for the Authority to publish its financial statements by the backstop date of 27 February 2026 as required by the relevant legislation. We have included our proposed audit report in Appendix B. When an opinion is disclaimed the auditor does not express an opinion on the financial statements and, consequently, no assurance is provided on the financial statements.

Areas of focus and audit approach, and significant findings

In our Audit Strategy Memorandum (ASM) that was communicated to TCWG on 22 August 2025 we stated that we intended to undertake sufficient audit procedures to enable us to issue a clean audit opinion on the 2024/25 financial statements. This has not been possible, and we have not completed all of the planned procedures referred to in the ASM, and we have not made any changes to our initial risk assessment.

Internal control recommendations and misstatements

Despite our intention to issue a disclaimer of opinion, where matters come to our attention through the course of our audit, we may be required to report these to you. Section 3 sets out any internal control recommendations we have made and any misstatements identified in the draft financial statements and how these have been addressed by management.

Value for Money

We identified two significant weaknesses in arrangements to report in relation to the arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources. Further details have been provided in the 'Value for Money' section of this report and were previously presented to those charged with governance in November 2025.

Wider reporting powers

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Authority and to consider any objection made to the accounts. There was no such correspondence from electors received.

Reporting to the group auditor

We anticipate completing the work to enable us to submit the assurance statement to the NAO. However, we have not yet received full group audit instructions from the NAO and so are unable to conclude whether any work is required in this area. We will be unable to issue the audit certificate until we have confirmation no further work is required.

Audit approach and risk summary

Audit approach and risk summary

Changes to our audit approach

Our Audit Strategy Memorandum, communicated to the Audit and Governance Committee, stated that we intended to undertake sufficient audit procedures in the current period to express an opinion on the draft financial statements. As noted in section 1 this has not been possible given the Authority have not been able to produce Group financial statements. We have not made any changes to our initial risk assessment that was set out in the Audit Strategy Memorandum.

Summary of Risks

Whilst we planned our audit to address the risks of material misstatement we identified at the planning stage, we will not have completed our work in advance of the backstop date and as such do not provide any assurance over individual areas of the financial statements or the financial statements as a whole, nor do we provide assurance over any of the identified risks. These risks are summarised below.

Significant risks

Management Override Of Controls

This is a mandatory significant risk on all audits due to the unpredictable way in which such override could occur.

Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement on all audits.

Net Defined Benefit Liability/Asset Valuation

The financial statements contain material pension entries in respect of retirement benefits. The calculation of these pension figures can be subject to significant volatility and includes estimates based upon a complex interaction of actuarial assumptions. This results in an increased risk of material misstatement.

We also note that in the prior period, the backstop date introduced by the Amendment Regulations impeded our ability to obtain sufficient appropriate evidence over the following material elements of the Pension balances disclosed within the financial statements:

The value of scheme assets as at 31 March 2024; and

The return on plan assets for the year ended 31 March 2024

Valuation of Land, and Buildings

The financial statements contain material entries on the balance sheet as well as material disclosure notes in relation to the Authority's holding of land and buildings.

The Authority employs a valuation expert to provide information on valuations, however, there remains a high degree of estimation uncertainty associated with the (re)valuations of PPE due to the significant judgments and number of variables involved.

Although we are unable to provide any assurance over the areas of risks we have identified, where matters have come to our attention during the course of the audit that we consider to be important to bring to your attention, we have included these in section 3 of this report.

Materiality

Our provisional materiality at the planning stage of our audit was set at £1.097m using a benchmark of 2% of gross expenditure at surplus/deficit level on the provision of services as per the Audit Strategy Memorandum. Given the lack of Group financial statements we have been unable to calculate Group materiality.

There have been no changes to the materiality levels we communicated in the Audit Strategy Memorandum.

Group audit approach

The failure to produce Group financial statements has restricted the scope of our audit. Specifically, we have been unable to obtain sufficient appropriate evidence regarding the financial information of the subsidiary and the adjustments that would have been required to present consolidated group financial statements.

Significant findings

Significant findings

Background and modification of the audit opinion

As part of our longer-term approach to rebuilding assurance, we have not completed sufficient audit procedures as part of the current year's audit to enable us to provide an unmodified opinion on the Authority's financial statements. As we have determined that the effects, or potential effects, on the financial statements of the lack of sufficient appropriate evidence are pervasive, we will be issuing a disclaimed opinion which means we are expressing no opinion on the financial statements.

Appendix B sets out our draft audit report which explains the basis of our disclaimer of opinion being the fact the Authority did not produce group accounts and this has restricted the scope of our audit and we have therefore been unable to obtain sufficient appropriate evidence to enable us to form an opinion by 27 February 2026.

Members will note that the draft audit report does not report on other matters that would usually appear in an unmodified audit report. These include:

- the use of the going concern assumption in the preparation of the financial statements; and
- the consistency of the other information presented with the financial statements.

Although we are disclaiming our audit opinion, auditing standards require us to report matters to you that have come to our attention during the course of our audit, which we include in this section of this report.

Significant matters discussed with management

During our audit, we communicated the following significant matters to management:

Cleveland Fire Brigade Risk Management Services

We held detailed discussions with management regarding the Authority's inability to produce group financial statements for the 2024–25 financial year. Management explained the challenges in obtaining the necessary financial information from Cleveland Fire Brigade Risk Management Services (CFB RMS), the Authority's subsidiary, prior to the subsidiary's winding-up resolution on 31 July 2025. We discussed the implications of this information gap on compliance with the CIPFA/LASAAC Code of Practice and the resulting requirement for consolidated group financial statements.

We also engaged with management regarding the delays in determining that group accounts could not be prepared, and the impact this had on the statutory timetable, including the late publication of draft accounts and the consequent reduction in the time available to complete planned audit procedures on the single entity financial statements before the backstop date of 27 February 2026.

Throughout these discussions, management outlined the steps taken to explore alternative approaches and confirmed that no feasible solution was identified within the available timeframe. These matters remain unresolved and has resulted in our disclaimer of opinion.

As part of our audit, we sought and obtained information from management in relation to actual or suspected non-compliance with laws and regulations, and any actual or suspected fraud which could materially impact upon the financial statements.

Based on our review of the information received, we have no matters to report in relation to fraud and the Authority's compliance with laws and regulations. We have not undertaken any further work in these areas and do not provide any assurance that the financial statements are free from material error.

Significant difficulties during the audit

We have not encountered any significant difficulties, and we have had the full co-operation of management.

Significant findings

Other matters of significance

We encountered no significant difficulties during our audit and had no significant disagreements with management. There was effective co-operation and communication between Forvis Mazars, management, and the Audit and Governance Committee during our audit. All requested information and explanations were provided to us.

Other matters we are required by ISA (UK) 260 *Communication with Those Charged with Governance* to communicate to you have been set out in Appendix E.

Wider responsibilities

Our powers and responsibilities under the 2014 Act are broad and include the ability to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these powers as part of our 2024/25 audit.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. No such objections have been raised.

Summary of amendments to the financial statements

Although we intend to issue a disclaimer of opinion, we still report any amendments which management have made to the draft financial statements, identified either through the audit procedures that we have undertaken, or separately by management.

This information is provided to the Audit and Governance Committee for information and to support it to discharge its responsibilities. It is important for members to note that, given we are issuing a disclaimer of opinion, we provide no assurance over the material accuracy of the amendments that have been made to the draft financial statements which are summarised in this section.

Amendments to the financial statements

There has been no amendments for management to process which exceed the trivial threshold for adjustment of £33k. .

Unadjusted misstatements

When we issue a disclaimer of opinion as a result of the backstop arrangements, auditing standards require us to consider whether we are aware of any matter that would have otherwise required a modification to our opinion. Such matters may include, for example, material misstatements that have been identified which have not been amended by management in the final financial statements. We confirm that no such matters have come to our attention.

Value for Money

Value for Money

Approach to Value for Money

We are required to form a view as to whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out in order to form our view and sets out the overall criterion and sub-criteria that we are required to consider.

This is the first audit year where we have undertaken our value for money (VFM) work under the full 2024 Code of Audit Practice (the Code). Our responsibility remains to be satisfied that the Authority has proper arrangements in place, and to report in the auditor's report where we are not satisfied that arrangements are in place. Where we have issued a recommendation in relation to a significant weaknesses this indicates we are not satisfied that arrangements are in place. Separately we provide a commentary on the Authority's arrangements in the Auditor's Annual Report.

The Code requires us to structure our commentary to report under three specified criteria:

- **Financial sustainability** - How the Authority plans and manages its resources to ensure it can continue to deliver its services;
- **Governance** - How the Authority ensures that it makes informed decisions and properly manages its risks; and
- **Improving economy, efficiency and effectiveness** - How the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

At the planning stage of the audit, we undertake work to understand the arrangements that the Authority has in place under each of the reporting criteria and we identify risks of significant weaknesses in those arrangements. Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest significant weaknesses in arrangements exist.

The table overleaf outlines the risks of significant weaknesses in arrangements that we have identified, the risk-based procedures we have undertaken, and the results of our work.

Where our risk-based procedures identify actual significant weaknesses in arrangements we are required to report these and make recommendations for improvement. Where such significant weaknesses are identified, we report these in the audit report by exception. We will also highlight emerging issues or other matters that do not represent significant weaknesses but still require attention from the Authority.

The primary output of our work on the Authority arrangements is the commentary on those arrangements that forms part of the Auditor's Annual Report. This commentary will provide a summary of the work we have undertaken and our judgements against each of the specified reporting criteria. We intend to issue the Auditor's Annual Report in February 2026.

Status of our work

We have completed our work in respect of the Authority's arrangements for the year ended 31 March 2025 and have identified two significant weaknesses in arrangements and have made associated recommendations. We provide further details on the identified significant weaknesses and our recommendations later in this section of our report.

Our draft audit report at Appendix C confirms that we have matters to report in respect of significant weaknesses. As noted above, our commentary on the Authority's arrangements will be provided in the Auditor's Annual Report in February 2026.

Value for Money

Risks of significant weaknesses in arrangements

In our Audit Strategy Memorandum we reported the risks of significant weaknesses in arrangements that we had identified as part of our planning procedures. Our responses to those identified risks are outlined in the table below.

Risk of Significant Weakness in Arrangements		Financial Sustainability	Governance	Improving the 3Es	Work Undertaken and Conclusions Reached
1	Cleveland Fire Brigade Risk Management (Community Interest Company), The Cleveland Fire Brigade Risk Management (Community Interest Company) Board of Directors have resolved the company can no longer continue to trade, with effect from 31 July 2025.	●	●	●	Work undertaken <ul style="list-style-type: none">• Consideration of the financial impact of the liquidation of the CIC on the Fire Authority; and• understanding the Authority arrangements for monitoring the performance of the CIC; and• Understanding the Authority’s arrangements for the production of group financial statements. Conclusions <p>Two significant weaknesses were identified and presented to the Audit and Governance Committee in our draft Auditor’s Annual Report in November 2025.</p>

Identified significant weaknesses in arrangements and recommendations for improvement

As a result of our work we have identified significant weaknesses in the Authority’s arrangements to secure economy, efficiency and effectiveness it its use of resources. These identified weaknesses have been previously been reported to the Audit and Governance Committee in our draft Auditors’ Annual Report presented to the committee in November 2025

Appendices

A: Draft management representation letter

B: Draft audit report

C: Confirmation of our independence

D: Other communications

E: Current year updates, forthcoming accounting and other issues

Appendix A: Draft management representation letter

TO BE PROVIDED ON CLIENT LETTERHEAD

The client should provide this letter to us on client headed note paper, it should be signed by the s151 officer and dated as close to (but not after) the date of the audit report as possible.

Forvis Mazars
The Corner
Bank Chambers
26 Mosley Street
Newcastle upon Tyne
NE1 1DF

[Date]

Dear James Collins,

Cleveland Fire Authority - Audit for Year Ended 31 March 2025

This representation letter is provided in connection with your audit of the financial statements of Cleveland Fire Authority and Group for the year ended 31 March 2025. I note that you intend to intend to issue a disclaimer of opinion in respect of your audit. I understand I am still required to provide the representations set out in this letter so you can complete your audit in accordance with relevant auditing standards.

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy ourselves that I can properly make each of the following representations to you.

My responsibility for the financial statements and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Code, as amended by the Code Update and applicable law.

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which I am aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Authority and Group you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Treasurer that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information.

As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

Accounting records

I confirm that all transactions that have a material effect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and

related information, including minutes of all Authority and committee meetings, have been made available to you.

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Authority and Group's financial position, financial performance and cash flows.

Accounting estimates, including those measured at fair value

I confirm that the methods, significant assumptions and the data used by the Authority and Group in making the accounting estimates, including those measured at fair value, are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework.

Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Authority and Group have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Code, as amended by the Code Update and applicable law.

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

The Authority and Group has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Fraud and error

I acknowledge my responsibility as Treasurer for the design, implementation and maintenance of internal control to prevent and detect fraud and error and I believe I have appropriately fulfilled those responsibilities.

I have disclosed to you:

- all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Authority and Group involving:
 - management and those charged with governance;
 - employees who have significant roles in internal control; and
 - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Authority's financial statements communicated by employees, former employees, analysts, regulators or others.

Related party transactions

I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed in accordance with the requirements of the Code, as amended by the Code Update and applicable law.

I have disclosed to you the identity of the Authority and Group's related parties and all related party relationships and transactions of which I am aware.

Impairment review

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

Charges on assets

All the Authority and Group's assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

Future commitments

The Authority and Group has no plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.¹⁷

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Code, as amended by the Code Update and applicable law, require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

Impacts of Russian Forces entering Ukraine

I confirm that I have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the Authority and Group, including the impact of mitigation measures and uncertainties,

Covid-19

I confirm that I have carried out an assessment of the potential impact of the Covid-19 Virus pandemic on the business, including the impact of mitigation measures and uncertainties.

Brexit

I confirm that I have carried out an assessment of the impact of the United Kingdom leaving the European Union, including the impact of the Trade and Cooperation Agreement, and that the disclosure in the Annual Report fairly reflects that assessment.

Going concern

To the best of my knowledge there is nothing to indicate that the Authority and Group will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

Annual Governance Statement

I am satisfied that the Annual Governance Statement (AGS) fairly reflects the Authority and Group's risk assurance and governance framework, and I confirm that I am not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

The disclosures within the Narrative Report fairly reflect my understanding of the Authority and Group's financial and operating performance over the period covered by the financial statements.

Arrangements to achieve economy, effectiveness and efficiency in Use of Resources (Value for Money arrangements)

I confirm that I have disclosed to you all findings and correspondence from regulators for previous and ongoing inspections of which I am aware. In addition, I have disclosed to you any other information that would be considered relevant to your work on value for money arrangements.

Yours faithfully,

Chris Little

Treasurer

Date:

Appendix B: Draft audit report

Independent auditor’s report to the members of Cleveland Fire Authority

Report on the audit of the financial statements

Disclaimer of opinion on the financial statements

We were appointed to audit the financial statements of Cleveland Fire Authority (“the Authority”) and its subsidiaries (‘the Group’) for the year ended 31 March 2025, which comprise the Authority and Group Movement in Reserves Statement, the Authority and Group Comprehensive Income and Expenditure Statement, , the Authority and Group Balance Sheet, the Authority and Group Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We do not express an opinion on the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

The Authority failed to produce Group Accounts for the 2024-25 financial year.

Cleveland Fire Brigade Risk Management Services (CFB RMS) is a subsidiary of Cleveland Fire Authority. In order to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, the Authority was required to prepare group financial statements to reflect its interest in CFB RMS. However, the Authority has been unable to do so following the approval of a winding up resolution on CFB RMS approved on 31 July 2025. Prior to this date, the Authority had been unable to obtain the necessary information required to prepare group financial statements.

The failure to produce group financial statements has restricted the scope of our audit. Specifically, we have been unable to obtain sufficient appropriate evidence regarding the financial information of the subsidiary and the adjustments that would have been required to present consolidated group financial statements.

To comply with the Accounts and Audit (Amendment) Regulations 2024, Cleveland Fire Authority must publish its Accountability Statements, which include the financial statements and auditor’s opinion for the year ended 31 March 2025 by 27 February 2026 (“the backstop date”). The planned start date of our audit was delayed as management took time to explore potential arrangements to produce group accounts, which meant management did not decide it would be unable to produce group financial statements until October 2025. This was after the statutory deadline for publishing the draft accounts on 30 June 2025. We have been unable to complete planned audit procedures on the Authority’s single entity statements as there was insufficient time to undertake this work by the backstop date.

Taken together, the effect of management not producing group financial statements and planned audit procedures on the Authority’s single entity statement not being completed mean we have been unable to obtain sufficient appropriate evidence to enable us to form an opinion on the financial statements.

Responsibilities of the Treasurer for the financial statements

As explained more fully in the Statement of the Treasurer’s Responsibilities, the Treasurer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and for being satisfied that they give a true and fair view. The Treasurer is also responsible for such internal

control as the Treasurer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Treasurer is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and prepare the financial statements on a going concern basis on the assumption that the functions of the Authority will continue in operational existence for the foreseeable future. The Treasurer is responsible for assessing each year whether or not it is appropriate for the Authority and Group to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor’s responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Authority and Group’s financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor’s report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. In reaching this judgement we have complied with the requirements of the Code of Audit Practice and have had regard to the Local Audit Reset and Recovery Implementation Guidance published by the National Audit Office and endorsed by the Financial Reporting Council.

We are independent of the Authority and Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Report on the Authority’s arrangements for securing economy, efficiency, and effectiveness in its use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our view we are not satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in November 2024, we have identified the following significant weaknesses in the Council’s arrangements for the year ended 31 March 2025:

Significant weakness in arrangements	Recommendation
<p>Accounting arrangements of Cleveland Fire Brigade Risk Management Services</p> <p>Cleveland Fire Brigade Risk Management Services (CFB RMS) is a subsidiary of Cleveland Fire Authority. The Authority has been unable to produce Group Financial Statements as a consequence of a winding-up resolution for CFB RMS approved on 31 July 2025.</p> <p>The absence of effective arrangements to produce and audit the Group accounts places the Authority at risk of failing to meet the statutory deadline of 27 February 2026 for publishing audited accounts. This represents a significant weakness in the</p>	<p>The Authority should ensure that proper arrangements are in place to support its statutory financial reporting responsibilities.</p>

Authority's governance and its processes for meeting statutory financial reporting requirements.	
<p>Governance arrangements of Cleveland Fire Brigade Risk Management Services</p> <p>Cleveland Fire Brigade Risk Management Services (CFB RMS) is a subsidiary of Cleveland Fire Authority. The CFB RMS Board approved a winding-up resolution on 31 July 2025. Although the Authority's liability for company debts is limited to £1 under the 2011 Memorandum of Association, it has identified a net financial impact on the Authority of £0.069m from the liquidation. The Authority had already recognised reputational risk in its risk register. However, limited financial performance reporting meant the deteriorating position of CFB RMS was not highlighted early enough, and issues only became visible when liquidation was unavoidable. While the financial loss is small, the Authority has suffered reputational damage.</p> <p>This lack of formal reporting demonstrates a weakness in governance arrangements, particularly in ensuring decisions are made on the basis of timely, reliable information, with appropriate transparency and challenge.</p>	<p>The Authority should ensure that proper arrangements are in place to make sure it makes properly informed decisions in relation to entities it has an interest in, including arrangements for effective challenge from those charged with governance.</p>

Responsibilities of the Accounting Officer

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the Authority's use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

We are also required by the Code of Audit Practice, to give an opinion on whether other information published together with the audited financial statements, is consistent with the financial statements. Because of the matter described in the Basis for Disclaimer of Opinion section we do not express an opinion on the financial statements. We also do not express an opinion on whether other information published together with the audited financial statements is consistent with the financial statements.

Use of the audit report

This report is made solely to the members of Cleveland Fire Authority, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Authority those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Authority, as a body, for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we:

- received confirmation from the NAO that the group audit of the Whole of Government Account has been completed and that no further work is required to be completed by us

James Collins, Key Audit Partner
For and on behalf of Forvis Mazars LLP

The Corner
Bank Chambers
26 Mosley Street
Newcastle Upon Tyne
NE1 1DF

XX February 2026







Appendix C: Confirmation of our independence



We communicate any matters which we believe may have a bearing on the independence or the objectivity of Forvis Mazars LLP and the audit team. As part of our ongoing risk assessment, we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We confirm that no new threats to independence have been identified since issuing our Audit Strategy Memorandum and therefore we remain independent.


Appendix D: Other communications

Other communication		Response
	Compliance with Laws and Regulations	<p>We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations.</p> <p>We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.</p>
	External confirmations	<p>We did not experience any issues with respect to obtaining external confirmations.</p>
	Related parties	<p>We did not identify any significant matters relating to the audit of related parties.</p> <p>We will obtain written representations from management confirming that:</p> <ul style="list-style-type: none"> a. they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and b. they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.
	Going Concern	<p>As noted in section 3 of our report, when we issue a disclaimed opinion, we do not express a view on whether it is appropriate for the accounts to be produced on a going concern basis. We have therefore not considered the appropriateness of management's going concern assessment.</p>

Appendix D: Other communications

Other communication		Response
	Subsequent events	<p>We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor's report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework.</p> <p>We will obtain written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.</p>
	Matters related to fraud	<p>As explained in section 3 of our report, we sought and obtained information from management in relation to any actual or suspected fraud which could materially impact upon the financial statements. We have reported any matters arising in accordance with our responsibilities as your appointed auditor. Due to our decision to disclaim the opinion, we have not undertaken further procedures in respect of fraud. Therefore, we do not provide any assurance that the financial statements are free from material error due to fraud.</p>

Appendix D: Other communications

Other communication		Response
	System of Quality Management	<p>To address the requirements of ISQM (UK) 1, our firm’s System of Quality Management team completes, as part of an ongoing and iterative process, a number of key steps to assess and conclude on our firm’s System of Quality Management, including:</p> <ul style="list-style-type: none">• Ensuring there is an appropriate assignment of responsibilities under ISQM (UK) 1 and across Leadership• Establishing and reviewing quality objectives each year, ensuring ISQM (UK) 1 objectives align with our firm's strategies and priorities• Identifying, reviewing, and updating quality risks each quarter, taking into consideration a number of input sources (such as FRC / ICAEW review findings, internal monitoring findings, findings from our firm’s root cause analysis and remediation functions, etc.)• Identifying, designing, and implementing responses as part of the process to strengthen our firm's internal control environment and overall quality• Evaluating responses and remediating control gaps or deficiencies <p>We perform an evaluation of our system of quality management on an annual basis. Our latest evaluation was performed as of 31 August 2024. Details of that assessment and our conclusion are set out in our 2023/2024 Transparency Report, which is available on our website here.</p>

Contact

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Forvis Mazars LLP is the UK firm of Forvis Mazars Global, a leading global professional services network. Forvis Mazars LLP is a limited liability partnership registered in England and Wales with registered number OC308299 and with its registered office at 30 Old Bailey, London, EC4M 7AU. Registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at www.auditregister.org.uk under reference number C001139861. VAT number: GB 839 8356 73

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