

AUDIT 2022/23 – REQUEST FOR DECLARATIONS

REPORT OF THE TREASURER



For Approval

1. PURPOSE OF REPORT

- 1.1 To inform Members, and seek approval to, a proposed response to the letter received from the Audit Manager of the Authority's External Auditor, Mazars, regarding processes, arrangements, and compliance with laws and regulations and the prevention and detection of fraud.

2. RECOMMENDATION

- 2.1 That Members agree the letter at Appendix 1 outlining how the activities of the Audit and Governance Committee comply with the International Auditing Standards and authorise the Chair of Cleveland Fire Authority to respond accordingly to the external Auditor.

3. BACKGROUND

- 3.1 In carrying out the annual accounts audit, Mazars have to demonstrate compliance with International Standards on Auditing (UK and Ireland). The standard requires the external Auditor to gain an understanding, each year, of how the Audit and Governance Committee exercise oversight of management's processes for identifying and responding to the risk of fraud and error and the controls established to mitigate those risks.
- 3.2 The External Auditor must also gain a general understanding of the legal and regulatory framework applicable to the Authority and how the Authority is complying with that framework. The auditor is required to undertake audit procedures to help identify instances of non-compliance where it may impact on the preparation of the financial statements. These procedures include :
- Enquiring of management whether they have complied with all relevant laws and regulations;
 - Obtaining written representation from management that they have disclosed to the auditor all known actual or possible areas of non-compliance; and
 - Enquiring of "those charged with governance" whether they are aware of any possible instances of non-compliance.

4. CLEVELAND FIRE AUTHORITY RESPONSE

- 4.1 Attached as Appendix 1 is a letter to Mazars from the Chair of the Authority setting out how the Audit and Governance Committee has complied with the requirements of International Standards of Auditing and fulfilled its Governance role.

**CHRIS LITTLE
TREASURER TO THE AUTHORITY**