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30 November 2023

Dear Members

Update/conclusion of pending matters – Audit Completion Report 2021/22

As required by International Standards on Auditing (UK), I am writing to communicate an update on those matters that were marked as outstanding within our Audit Completion Report dated 8 November 2022 and including any other matters arising since that date.

There has been a substantial delay in completing the 2021/22 audit. The issues causing the delays in relation to the Pension Fund assurance, whilst important accounting issues, will not impact on the Authority's Usable Reserves which underpin the Medium Term Financial Strategy and Asset Management Plan.

We issued our draft Audit Completion Report for 2021/22 on 8 November 2022 and we reported to the Audit and Governance Committee on 18 November 2022. We reported that we had substantially completed our work, and:

- We identified no internal control recommendations;
- We had not found any misstatements in the financial statements; and
- We had some procedures to complete in relation to our testing (these procedures were subsequently completed).

However, we drew attention to one particular outstanding matter which was that we were not expecting to receive the annual Pension Fund assurance letter by the end of November 2022. This assurance letter is a standard practice requirement on all public sector audits, and in this case the auditor of Teesside Pension Fund, is a different firm to Mazars. The Pension Fund auditor had indicated that the assurance letter would be late but was unable to provide an exact timetable.

In the event, the Pension Fund Auditor letter was not received until 22 March 2023. It is very unusual to receive these assurances as late as this. There were no material issues arising from the Pension Fund auditor's work to impact on the 2021/22 financial statements.

However, as a result of the long delay, new information was now available to update the pension disclosures in the financial statements in that the triennial revaluation of Teesside Pension Fund as at 31 March 2022 was now completed, and needed to be reflected in the 2021/22 financial statements. This required the Authority to obtain an updated report from the actuary (already done by officers), and we needed to carry out some additional procedures, including requiring the Pension Fund auditor to test the membership data used in the triennial revaluation and report to us on the results of their testing. The Pension Fund auditor indicated that they could report to us by the end of September 2023. All changes to the financial statements arising from the revised actuarial report are technical accounting changes and do not impact on the reserves or resources available to the Authority.

The resolution of outstanding matters and the conclusions we reached are detailed below:

Matter	Update/conclusion reached	Status
Property, plant and equipment	Our outstanding queries have been addressed and there were no further matters to bring to the attention of Members.	Completed
Net defined benefit liability (pensions)	See the section on the triennial revaluation of Teesside Pension Fund as at 31 March 2022 below.	One remaining issue to resolve, as explained below
Other	We completed the outstanding work in a number of other areas and there were no further matters to bring to the attention of Members.	Completed
Audit closure procedures	We undertake our final closure procedures including a review of the management representation letter and post balance sheet events, up to the point that we are ready to issue our audit opinion on the financial statements.	This will be completed at the point we are ready to issue our audit opinion

Triennial revaluation of Teesside Pension Fund as at 31 March 2022

Each year, employers within the Local Government Pension Scheme (LGPS) receive an actuarial accounting report prepared in accordance with IAS19 Employee Benefits (IAS19 report). The report sets out the movement in the employer's interest in the LGPS assets and liabilities during the year, and their share of assets and liabilities at the year end.

IAS19 pension liabilities are prepared by rolling forward data collected for the most recently completed actuarial funding valuation (triennial revaluation, ie. undertaken once every 3 years) and updating for significant changes to membership, cashflows, and updated actuarial assumptions. The 2021/22 IAS19 reports received by LGPS employers for inclusion in the draft 2021/22 financial statements

were prepared using data collected for the 2019 triennial valuation, rolled forward by 2 years, as the 2022 triennial valuation was not complete at the time of preparing the draft 2021/22 financial statements.

Due to the delays in the issue of some local authority and related bodies opinions (many March 2021/22 financial statement audits had not been completed as at 31 March 2023), the 31 March 2022 triennial valuation reports, which take about a year to prepare, had been finalised.

In the Authority's case, the only reason for the delay was that we did not receive the Pension Fund auditor assurance until March 2023. As our Audit Completion Report dated 8 November 2022 shows, all other work had been substantially completed by the end of November 2022.

The completed triennial revaluation as at 31 March 2022 provided evidence of conditions that existed at 31 March 2022 and, in accordance with IAS10 Events after the Reporting Period, audited bodies were asked to consider whether this was an adjusting event. Our view was that this was an adjusting event after the balance sheet date where material.

The Authority decided that this would have a material impact on the IAS19 pension liability at 31 March 2022, and therefore obtained an updated IAS19 Report from the Actuary and amended the 2021/22 accounts. It is important to note that this only impacted on the local government pension scheme not the firefighters' pensions.

The adjusted misstatement is in the Summary of Misstatements in Appendix 1.

For us to consider the amendments made to the financial statements to reflect the triennial revaluation exercise, we carried out the following procedures:

- Agreed the changes in the revised IAS19 report to the revised financial statements;
- Reviewed the updated assumptions used by the actuary in the updated IAS19 report; a national report prepared by PWC assisted with our consideration of any changes in assumptions; and
- Asked the Pension Fund auditor to carry out testing of the membership data provided by the Pension Fund to the actuary for the triennial revaluation exercise, to ensure that it was supported by the data in the Pension Fund's systems.

We have completed our work without any other issues arising.

We received a response from the Pension Fund auditor on 11 September 2023. Unfortunately, their letter highlighted a number of apparent significant discrepancies in the data. The Pension Fund auditor indicated to us that they did not intend to carry out any further work to investigate or resolve the apparent significant discrepancies.

We therefore informed the Pension Fund auditor that we needed to follow up these issues ourselves, even though the Pension Fund and its lead authority, Middlesbrough Council, is not one of our audits.

We are currently in the process of following these issues up. We are grateful to Middlesbrough Council and the Pension Fund, as they have confirmed that they understand the importance of following up on the issues raised and have offered us their full co-operation. Unfortunately, to date, this process has taken longer than hoped. We are unable to issue our audit opinion until this issue is resolved. We hope that this will be resolved in the period between issuing this follow up letter and the date of the Authority meeting. However, it may take longer. This does not prevent the Authority from certifying

and approving its 2021/22 financial statements. It would just lead to a delay before we can issue the audit opinion. We are determined to do this as soon as we can.

Status of our audit work

At the time of preparing this update letter, we anticipate being able to issue an unqualified audit opinion, without modification, on the 2021/22 financial statements. We plan to issue our opinion when the financial statements have been approved and signed, and when we have fully followed up on and addressed the apparent significant discrepancies reported to us in the Pension Fund auditor's letter.

We will issue a further follow up letter at the point of signing our audit report.

We will also request from management a letter of representation for Cleveland Fire Authority. We will seek this letter at the point we are about to sign off, so the assurances therein are up-to-date at the point we issue our audit report. We include an updated draft of the letter we have requested at Appendix 2.

We provide below, an update on our value for money commentary and whole of government accounts.

Audit area	Description of outstanding matters
Value for money commentary	We have completed our work in respect of Cleveland Fire Authority's VFM arrangements for the year ended 31 March 2022 and the DRAFT Auditor's Annual Report 2021/22 is on the agenda for the Authority meeting on 8 December 2023 setting out our value for money commentary. Our VFM work has not identified any significant weaknesses or recommendations in relation to the Authority's arrangements for economy, efficiency and effectiveness in the use of its resources. We will issue the final Auditor's Annual Report once the audit opinion has been issued.
WGA	<p>We are unable to report on WGA for 2021/22 until we issue our 2021/22 audit opinion. We will issue the 2021/22 WGA return to the NAO as soon as we have issued our audit report.</p> <p>However, we cannot issue our audit certificate for 2021/22 until we have received NAO clearance that additional procedures are not required. NAO plans to report on 2021/22 WGA by the end of March 2024. We therefore expect to be able to issue our 2021/22 audit certificate about this time.</p>



Our draft Independent Audit Report for Cleveland Fire Authority is shown in Appendix 3. This highlights in red any changes from the previous version included in our Audit Completion Report. The main change is that we can now report in our audit opinion that we have completed our value for money work for the year ended 31 March 2022.

Yours faithfully

Gavin Barker

Gavin Barker
Director



APPENDIX 1 SUMMARY OF MISSTATEMENTS

(Changes since we issued our Audit Completion Report are highlighted in red.)

This section outlines the misstatements identified during the course of the audit, above the trivial threshold for adjustment of £29,000.

Unadjusted misstatements

There were no unadjusted misstatements.

Disclosure amendments

During our review of the financial statements, we identified a small number of adjustments to disclosures in the accounts. These are to be adjusted by management in the final version of the accounts and include:

- ~~• Note 35 Defined Benefit Pension Schemes — a number of entries for the sensitivity analysis as well as the assumptions information shown in the note are inconsistent with the figures provided by the Actuary in their IAS 19 report. Confirmed that these are to be amended by the client. There were further changes to this note arising from the incorporation of the figures relating to the Triennial Revaluation as noted on the next page.~~
- ~~• Note 35 Defined Benefit Pension Schemes — noted that the sensitivity analysis provided refers to a + or — 0.5% which is inconsistent with the industry standard which usually refers to a moment of + or — 0.1%. Confirmed with management that this is an error, and they are engaging with the Actuary to understand if the report wording is in error or whether the figures are to be updated. There were further changes to this note arising from the incorporation of the figures relating to the Triennial Revaluation as noted on the next page.~~
- Note 26, external audit costs, was updated to reflect the final audit fees that are now known following the conclusion of the audit.
- Various other minor presentational and typographical errors were identified. These are to be provided to the Authority for amendment in the final version.

Adjusted misstatements (Triennial revaluation)

Impacts on Authority and Group Accounts of the revised IAS 19 actuarial report		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Cr: Other long term liabilities (pension liability)				-2,216
	Dr: Unusable Reserves (pensions reserve)			2,216	
	Cr: Movement in reserves Statement *		-2,216		
	Dr: Re-measurement of the net defined liability *	2,216			
The revised actuary report reflects the triennial revaluation of the local government pension scheme and results in a £2.147m reduction in the overall liability for the Authority and Group. This also impacts on a number of disclosures notes in the financial statements.					
Total adjusted misstatements		2,216	-2,216	2,216	-2,216

** Net movement of financing and investment income and expenditure (£19k Dr) and remeasurement of net defined benefit liability (£2,235k Cr)*

Please note that as a result of these changes in the primary financial statements there are changes throughout the financial statements to reflect the revised actuarial report that was updated to for the triennial revaluation data. The most significant changes are reflected in Note 35, Defined Benefit Pension Schemes. As part of our audit work, we have checked that all the amendments have been made correctly.

Members should also note that all changes to the financial statements arising from the revised actuarial report are technical accounting changes and do not impact on the reserves or resources available to the Authority.

APPENDIX 2 – DRAFT LETTER OF REPRESENTATION

Changes from the version in the Audit Completion Report (8 November 2022) are highlighted in red

Draft management representation letter

To be provided to us on client headed note paper

XX November 2022

Dear Gavin,

Cleveland Fire Authority - audit for year ended 31 March 2022

This representation letter is provided in connection with your audit of the financial statements of Cleveland Fire Authority (the Authority) and its Group for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Code) and applicable law.

I confirm that the following representations, to the best of my knowledge and belief, 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 and applicable law.

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which we are 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 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 Code and International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Authority'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 in making the accounting estimates 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 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 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 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.

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 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 and applicable law.

I have disclosed to you the identity of the Authority'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's assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

Future commitments

I am not aware of any plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Code 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.

Other Matters

I can confirm in relation to the following matters that:

- Brexit - we have assessed the potential impact of the United Kingdom leaving the European Union and that no further disclosures are needed in the financial statements;
- COVID-19 - we have assessed the impact of the COVID-19 Virus pandemic on the Authority and the financial statements, including the impact of mitigation measures and uncertainties, and are satisfied that the financial statements and supporting notes fairly reflect that assessment; and
- Ukraine - we confirm that we have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the Authority and there is no significant impact on the Authority's operations from restrictions or sanctions in place.

Reinforced Autoclaved Aerated Concrete (RAAC)

I confirm the Authority has assessed the potential impact of Reinforced Autoclaved Aerated Concrete on the Authority, and in particular, whether there are indications of a need for an impairment of the Authority's property, plant and equipment or investment property balances. I confirm there are no such indications of impairment in those assets.

Going concern

To the best of my knowledge there is nothing to indicate that the Authority will cease to 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.

Unadjusted misstatements ~~*[delete this section if there are no unadjusted misstatements]*~~

There are no unadjusted misstatements.

~~I confirm that the effects of the uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. All uncorrected misstatements are included in the Appendix to this letter. *[Please make sure the appendix is attached to the letter and not cross-referenced to the appendix in the ACR. Unadjusted should be numerical AND disclosure].*~~

Yours faithfully

Treasurer:

Date: to be confirmed

APPENDIX 3 – DRAFT AUDIT REPORT

Changes from the version in the Audit Completion Report (8 November 2022) are highlighted in red

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

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of Cleveland Fire Authority ('the Authority') and its subsidiary ('the Group') for the year ended 31 March 2022, which comprise the Authority and Group Comprehensive Income and Expenditure Statements, the Authority and Group Movement in Reserves Statements, the Authority and Group Balance Sheets, the Authority and Group Cash Flow Statements, the Firefighter Pension Fund Account Statements, 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 2021/22 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets ("the Code Update"), published in November 2022.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority and the Group as at 31st March 2022 and of the Authority's and the Group's expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Code Update.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we 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 as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Treasurer with respect to going concern are described in the relevant sections of this report.

Other information

The Treasurer is responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether

there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Treasurer for the financial statements

As explained more fully in the Statement of the 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 2021/22 **as amended by the Code Update**, 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 2021/22 **as amended by the Code Update** 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 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 our 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Authority, we identified that the principal risks of non-compliance with laws and regulations related to the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992 and 2012, and the Accounts and Audit Regulations 2015, and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Treasurer's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with management and the Audit and Governance Committee the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Authority which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Audit and Governance Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and

- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Audit and Governance Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Treasurer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the National Audit Office in September 2021.

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 2022.

~~We have not completed our work on the Authority's arrangements. On the basis of our work to date, having regard to the guidance issued by the Comptroller and Auditor General in December 2021, we have not identified any significant weaknesses in arrangements for the year ended 31 March 2022.~~

~~We will report the outcome of our work on the Authority's arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.~~

~~We have nothing to report in this respect.~~

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its 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. 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 December 2021.

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.

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 as set out in paragraph 44 of 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 have ~~completed~~:

- ~~completed~~ the work necessary to issue our assurance statement in respect of the Authority's Whole of Government Accounts consolidation pack ~~for the year ended 31 March 2022. and~~
- ~~the work necessary to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.~~

[signature]

Gavin Barker – Key Audit Partner

For and on behalf of Mazars LLP

The Corner

Bank Chambers

26 Mosley Street

Newcastle Upon Tyne

NE1 1DF

Date: to be confirmed