

**THE FINAL 2021/2022 FINANCIAL REPORT AND  
FOLLOW UP LETTER TO AUDIT COMPLETION  
REPORT****REPORT OF THE TREASURER****For Approval****1. PURPOSE OF REPORT**

1.1 The purpose of this report is to:

- i) enable Members to approve the final 2021/22 Financial Report (including the 2021/22 Statement of Accounts).
- ii) present Mazars follow up letter to the Audit Completion Report.

**2. RECOMMENDATIONS**

2.1 It is recommended that Members:

- i) approve the final 2021/22 Financial Report attached at Appendix A;
- ii) note and agree, that in the unlikely event of any material accounting error being identified in the outstanding Pension Fund audit activity requiring amendment of the Financial Report, these amendments are actioned and delegated authority given to the Treasurer in consultation with the Chair of Cleveland Fire Authority to approve the updated 2021/22 accounts;
- iii) note the follow up letter from Mazars attached at Appendix B;
- iv) note the Management Letter of Representation will be issued once the audit activity on the Teesside Pension Fund has concluded.

**3. BACKGROUND**

3.1 The draft accounts were presented to the Audit and Governance Committee on 18<sup>th</sup> November 2022. The accounts could not be approved on that day owing to outstanding assurances from the Pension Fund auditors and outstanding work relating to Property Plant and Equipment and Other which is now complete.

- 3.2 In March 2023 the Teesside Pension Fund carried out its triennial review. The results of this review were considered to be such that they would impact on the 2021/22 pension reports used to produce the 2021/22 Statement of Accounts.
- 3.3 The 2021/22 pension actuarial reports were updated and the changes have been reflected in the 2021/22 Statement of Accounts.
- 3.4 As outlined in the Mazars follow up letter (Appendix B) relating to the 2021/22 audit, further audit activity is still required in relation to the triennial revaluation of the Teesside Pension Fund. Audit activity in relation to this matter is on-going.
- 3.5 Once this audit activity has concluded, the Fire Authority is required to issue a Management Letter of Representation to Mazars. This letter sets out the responsibilities and representations made by officers and confirms the accuracy and completeness of the information that management have provided to auditors.
- 3.6 A copy of the initial Audit Completion Report (ACR) is attached at Appendix C.

#### 4. **CONCLUSIONS**

- 4.1 Details of the outstanding Pensions assurance have been reported to the Audit and Governance Committee. Members were advised that these issues will not impact on the Authority's Usable Reserves and therefore the financial ability of the Authority to manage existing expenditure commitments and future financial challenges.
- 4.2 Mazars currently anticipate being able to issue an unqualified audit opinion, without modification, on the financial statements. The final audit opinion will be issued when the financial statements have been approved by Full Authority and when the noted outstanding Pension Fund issues have been concluded.

**CHRIS LITTLE**  
**TREASURER TO THE AUTHORITY**