



AGENDA ITEM: 8

NORTH WALES FIRE AND RESCUE AUTHORITY

23rd October 2006

STATEMENT OF ACCOUNTS 2005-06 AND THE LETTER OF REPRESENTATION

**Report by Ken Finch,
Treasurer to the Authority**

Purpose of Report

1. The Statement of Accounts for 2005-2006 was presented to the Fire Authority for approval on 19 June 2006. The accounts have now been audited by the Auditor appointed by the Wales Audit Office and have been amended in line with the findings from the audit and subsequent discussions over the finer points of accounting treatment, definitions and presentation of specific items within the accounts.
2. Attached to this report, as appendix 2, is a copy of correspondence between the External Auditor and myself in respect of the above. The letter explains the reason for a letter of representation.

Information

3. The amendments to the accounts are primarily presentational but Members' attention is drawn to the following points:
 - a) The contents page now includes reference to the Auditor's Report



Information *(continued)*

- b) In Section 3 on page 3 the amounts stated in respect of actual expenditure for 2005/06 and the net underspend for the year have been amended to reflect the agreed changes in accounting treatment for the Internal Audit Provision and the IT licences.
 - c) Section 3 (v) on page 4 has been amended slightly to clarify that the provision made in respect of acquiring new uniform is now a capital provision rather than a revenue provision
 - d) Section 4 on page 4 has been rewritten to reflect the agreement that the provision for Internal Audit is more correctly part of the overall Budget Provision. This section has also been amended to include a comment about the accounting treatment between two financial years of the purchase of computer licences
 - e) Subsequent changes in the details of the Statement Account and various notes have been made to reflect the comments in a) to d) above.
 - f) Section 4 on page 5, a paragraph has been added setting out the Authority's' position with regard to provisions and Financial Reporting Standard 12.
 - g) Note 1 to the balance sheet, 'Capital Commitments' for Water Tenders has increased by £226,000.
4. As the Authority approves the Statement of Accounts in accordance with the Accounts and Audit (Wales) Regulations 2005, the Authority is required to formally acknowledge the Letter of Representation sent to the External Auditor.

Recommendation

5. Members:
- 5.1 approve the amended Statement of Accounts for 2005-06 (appendix 1); and
 - 5.2 acknowledge the Letter of Representation sent to the External Auditor.

