

For the year ended 31 March 2024



Date: 20 February 2025

Those Charged with Governance
Avon Fire Authority
Police & Fire Headquarters
Valley Road
Portishead
Bristol
BS20 8JJ

Dear Sirs and Madams

Avon Fire Authority – Audit Completion Report

We are pleased to attach our Audit Completion Report. This report summarises our audit conclusions, highlights the key findings arising from our work and details a number of points that we would like to discuss further with you.

We have initially discussed the contents of our report with management and have incorporated their comments where relevant.

This report is intended to be solely for the information and use of management and those charged with governance of the Authority and should not be shared with anyone beyond the Authority without our prior approval.

We would like to take this opportunity to thank the finance team for the co-operation and assistance afforded to us during the course of the audit.

Kind regards

Yours faithfully

A handwritten signature in black ink, reading "Bishop Fleming LLP". The signature is written in a cursive, flowing style.

BISHOP FLEMING LLP

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1. Executive summary

Status of audit

The scope of our work is set in accordance with the National Audit Office's Code of Audit Practice (the Code) and the International Standards on Auditing (ISAs) (UK). Our work is planned to provide a focused and robust audit. We are required to provide an independent opinion as to whether the financial statements:

- give a true and fair view of the financial position of the Fire Authority at the year end and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Our audit is now complete and we have issued an unmodified audit report.

Key audit issues

Within our Audit Plan, which was presented to the Audit Committee in March 2024, we outlined a number of risks that we considered to be of particular significance to the audit. Our plan also detailed our planned approach for addressing each of these risks.

The specific risks highlighted were as follows:

- Management override of controls;
- Fraud in revenue recognition;
- Fraud in expenditure recognition;
- Valuation of land and buildings; and
- Valuation of the pension fund net liability.

Our audit work has been satisfactorily completed on all of the above areas and is further detailed in section 2 of this report.

Audit Adjustments

During the course of our work, adjustments were identified and, on agreement of management, were adjusted in the financial statements.

Further adjustments were proposed but not made, as those charged with governance do not consider them to be material to the financial statements. We accept this explanation.

Full details of the adjustments identified are included in section 6 to this report.

Management Letter Points and Internal Control Matters

A number of control points were identified during the course of our work, and these are further detailed in section 7 to this report. Of the matters noted, none are considered to have an important effect on your system of internal control.

Value for Money

We are also required to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024. The National Audit Office's Code of Audit Practice requires us to report on the Authority's arrangements under three specified reporting 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 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.

The predecessor auditor's value for money work as reported in their 2022/23 Auditor's Annual Report to the Fire Authority highlighted 'significant weaknesses' in the arrangements for governance. These significant weaknesses related to issues identified following an inspection by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) summarised in their report issued in November 2023. The Fire Authority has been taking action to address the issues identified. Following the most recent visit from HMICFRS in September 2024, they have identified that whilst good progress has been made, there are still significant issues and that several recommendations are yet to be addressed. Our audit work in relation to assessing the arrangements in place at the Authority raises some concern that progress is still required in respect of one 'Accelerated cause of concern' and two 'Causes of concern'. The Authority must promptly implement the required actions to strengthen its arrangements to secure economy, efficiency, and effectiveness in its use of resources. We have therefore concluded that the significant weaknesses highlighted in the Fire Authority's arrangements still applied during the 2023/24 financial year.

The results of the Value for Money work are reported separately in our Auditor's Annual Report.

Independence

The FRC Ethical Standard and ISA 260 requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our independence and objectivity. The aim of these communications is to ensure full and fair disclosure by us to those charged with governance on matters in which you have an interest.

We are not aware of any relationships that, in our professional judgment, may reasonably be thought to bear on our independence or the objectivity of the audit engagement team.

We confirm that in our professional judgment, Bishop Fleming is independent within the meaning of regulatory and professional requirements and the objectivity of the audit engagement partner and audit staff has not been compromised.

We consider that our independence in this context is a matter that should be reviewed by both you and ourselves. It is therefore important that you consider the facts of which you are aware and come to a view. Should you have any specific matters that you wish to discuss, please contact us.

2. Introduction

Responsibilities of the audited body

The audited body is responsible for the preparation of the financial statements and for making available to us all the information and explanations we consider necessary. Therefore, it is essential that it confirms that our understanding of all matters referred to in this report are appropriate, having regard to its knowledge of the particular circumstances.

We would point out that the matters dealt with in this report came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements of Avon Fire Authority.

In consequence, our work did not encompass a detailed review of all aspects of the system and controls and cannot be relied upon necessarily to disclose possible frauds or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might reveal.

Materiality

In carrying out our audit work we have considered whether the financial statements are free from 'material misstatement'. Materiality is an expression of the relative significance of a particular matter in context of the financial statements as a whole.

In general, misstatements, including omissions, are considered to be material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The assessment of whether a misstatement is material in the context of the financial statements is a matter of professional judgement and will have regard to both the size and the nature of the misstatement, or a combination of both. It is also affected by our perception of the financial information needs of users of the financial statements.

	Basis of materiality	Amount
Avon Fire Authority	2% of gross expenditure	£1,144,000

The level of materiality is unchanged since our Audit Plan.

Anticipated audit report

Subject to the satisfactory resolution of the outstanding items, and to receiving all outstanding information set out below, we anticipate issuing an unmodified audit report on the financial statements of Avon Fire Authority for the year ended 31 March 2024.

Representation Letter

The representation letter is attached at Appendix 1.

Update on our planned approach

Our audit work was carried out in accordance with our Audit Plan in response to the perceived audit risks. No matters were identified which required us to change our approach and no additional risks were identified.

Confidentiality

This document is strictly confidential and although it has been made available to those charged with governance to facilitate discussions, it may not be taken as altering our responsibilities to the Fire Authority arising under the Local Audit and Accountability Act 2014 (the Act) and from the Code of Audit Practice. The contents of this report should not be disclosed to third parties without our prior written consent.




3. Audit and accounts process

The preparation of the financial statements is a vital process for the management of the Fire Authority and one which should be performed on a timely basis. We met with senior officers as part of our planning work to discuss how we would work together to make the audit process effective.

We discussed key accounting issues early, so they could be considered before the audit commenced.

Readiness for audit	
Quality of financial statements	
Accuracy of financial records	
Quality of working papers	
Availability of Staff	

Key (Impact on audit approach)

Adequate	
Below expectations	
Inadequate	

We invested significant time into the audit running as smoothly as possible. In addition to carrying out a review of the predecessor auditor's working papers, we also met with Deloitte to discuss key issues and ensure we had a clear understanding of the prior year audit. During the final audit, we had regular calls with the finance team.

As a result of the investment made by both parties, the audit has generally proceeded smoothly, although some areas have taken longer to audit than we had expected. These included work on the valuation of Land and Buildings.

We are keen to continually improve our service and the effectiveness of the process and, therefore, will hold a debrief discussion with management to identify areas where this might be possible.

Readiness for audit

We were provided with a copy of the draft financial statements in line with the timetable agreed before the start of the audit and as outlined in our audit plan.

Information requested during the onsite fieldwork was generally provided promptly to our staff. This made the core audit work progress relatively smoothly, although there were delays in some areas. Most notable was in respect of evidence for the land and buildings valuations, work on the firefighters' pension fund and some sampled areas such as expenditure cut off.

Quality of financial statements

We have not identified any significant omissions from the draft financial statements.

Accuracy of financial records

The majority of the underlying financial records were accurate, agreed to the information provided in the audit file and were easy to understand with the exception of the land and buildings valuations.

We also experienced some issues with reconciling underlying records to the draft statement of accounts in areas such as payroll and expenditure. These issues have subsequently been resolved with the help of finance staff.

Quality of working papers

The quality of the working papers and supporting evidence provided was generally good, this led to minimal follow up queries and ensured the audit proceeded smoothly when information was received.

Availability of Staff

Key members of the finance team made themselves available to us throughout the audit where possible. However, we were not always kept informed of any instances when staff were not available.

4. Audit risks

Management override of controls

Significant Risk

We are required by auditing standards (ISA 240) to consider fraud and management override of controls to be a significant risk for all audits as no matter how strong a control environment, there is the potential for controls to be overridden or bypassed.

Work done and conclusion

To address this risk, we have:

- reviewed the reasonableness of accounting estimates and critical judgements made by management;
- tested journals with a material impact on the results for the year; and
- considered a sample of other journals with key risk attributes.

In testing journals, we used data analytics tools to interrogate the whole population of journals posted in the year and focus on those with key risk factors.

We have not identified any material errors from our work carried out.

Fraud in revenue recognition

Significant Risk

There is also a presumption under auditing standards that the risk of fraud in revenue recognition is considered to be a significant risk area.

Work done and conclusion

Having considered the risk factors set out in ISA240 and the nature of the revenue streams of the Authority, we have concluded that the risk of fraud arising from revenue recognition can be rebutted because:

- There is little incentive to manipulate revenue recognition;
- Opportunities to manipulate revenue recognition are very limited; and
- The culture and ethical framework within Avon Fire Authority means that all forms of fraud are seen as unacceptable.

Fraud in expenditure recognition

Significant Risk

Practice Note 10: Audit of Financial Statements and regularity of public sector bodies in the United Kingdom sets out that the risk of fraud related to expenditure is also relevant.

We consider that the risk of fraud at the Authority to be around the cut-off at year end.

Work done and conclusion

At the planning stage, we considered whether we have any significant concerns about fraudulent financial reporting of expenditure which would need to be treated as a significant risk for the audit.

We concluded that this was not a significant risk for Avon Fire Authority because:

- expenditure is well controlled, and the Fire Authority has a strong control environment; and
- the Fire Authority has clear and transparent reporting of its financial plans and financial position.

Valuation of land and buildings

Significant Risk

There is a risk over the valuation of land and buildings due to the high degree of estimation uncertainty, and judgements involved in build valuations.

Work done and conclusion

To address this risk, we have:

- documented our understanding of the processes and controls put in place by management, and evaluate the design of the controls;
- reviewed the instructions provided to the valuer and the valuer's skills and expertise, in order to determine if we can rely on the management expert;
- written to the valuer to confirm the basis on which the valuation was carried out;
- confirmed that the basis of valuation for assets valued in year is appropriate based on their usage;
- reviewed the appropriateness of assumptions used in the valuation of land and buildings. For assets not formally revalued in the year we assessed how management has satisfied itself that these assets are not materially different from the current value at the year-end;
- reviewed accuracy and completeness of information provided to the valuer, such as floor areas;
- tested a sample of revaluations made during the year to ensure that they have been input correctly into the Fire Authority's asset register; and
- form our own expectations regarding the movement in property values and comparing this to the valuations reflected in the Fire Authority's financial statements, following up valuation movements that appear unusual.

Our work on this area identified a material misstatement which had arisen as a result of incorrect Gross Internal Areas being used in the valuation process. See sections 5 and 6 for more information.

Valuation of the pension fund net liability

Significant Risk

There is a risk over the valuation of the pension fund net liability due to the values involved and the high degree of estimation uncertainty, due to the sensitivity of the estimate to changes in key assumptions.

Work done and conclusion

To address this risk, we have:

- documented our understanding of the processes and controls put in place by management, and evaluated the design of the controls;
- reviewed the instructions provided to the actuary and the actuary's skills and expertise, in order to determine if we can rely on the management expert;
- considered the accuracy and completeness of the information provided to the actuary;
- ensured that the disclosures in the financial statements in respect of the pension fund liability are consistent with the actuarial report from the actuary;
- carried out procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and
- obtained assurances from the auditor of Avon Pension Fund in respect of the controls around the validity and accuracy of membership data, contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

We have not identified any material errors from our work carried out.

5. Other audit and financial reporting matters

Valuation of the LGPS

The macro-economic environment has had a significant effect on the actuarial valuation of a local government body's share of the Local Government Pension Scheme (LGPS), with deficits reported by the actuaries through their IAS 19 reports reducing significantly in each of the last two years.

Across the Local Government sector, accounting surpluses have become more prevalent. IFRIC 14 provides guidance from the International Financial Reporting Interpretations Committee on the extent to which an IAS 19 surplus can be recognised on the balance sheet and whether any additional liability needs to be recognised in respect of onerous funding commitments. The sector-wide approach to applying IFRIC 14 has evolved over the last year as IAS 19 surpluses are becoming more common. This has resulted in some actuaries revising their approach when producing 'asset ceiling' calculations that adopt the principles set out in IFRIC 14.

We have not identified any issues with the applied treatment.

Source data for valuations

It was noted during our testing of building valuations that management were unaware where the Gross Internal Areas (GIAs), which are the key piece of data for the revaluations, originated from. The expected process was that these GIAs would be provided to the valuer, who would then use them to form part of the calculation of the asset's value. However, the data that the valuer had, came from a spreadsheet which could not be agreed to supporting information.

Moreover, when we received supporting information (floorplans which detailed the GIA), our testing identified that there were number of differences between the figure on the spreadsheet, and the GIA as per the floorplan. This resulted in the Authority being required to ask the valuers for an updated valuation of its buildings, which resulted in the overall Net Book Value of Property, Plant and Equipment increasing by £1,297k.

A Management letter point has been raised in with regards to this issue.

6. Audit Adjustments

In accordance with the requirements of International Standards on Auditing, we must communicate all adjusted and unadjusted items identified during our audit work, other than those which we believe to be clearly insignificant.

Adjusted items

All adjusted misstatements are set out in detail below along with the impact on the key statements for the year ended 31 March 2024:

	Comprehensive Income and Expenditure Statement		Balance sheet	
	Dr	Cr	Dr	Cr
	£'000	£'000	£'000	£'000
Note 13, PPE – Land & Buildings – Increase/(decrease) in Reval Reserve ¹			1,339	
Note 13, PPE – Land & Buildings – Revaluation increases to (Surplus)/Deficit on the provision of Services ¹				42
CIES, Surplus on revaluation of non-current assets ¹		1,339		
CIES, Gross Expenditure ¹	42			
Note 13, PPE - Land & Buildings - Depreciation Charge for the year ²				229
CIES, Gross Expenditure ²	229			
Total	271	1,339	1,339	271

1. Amendment resulting from the correction of the GIAs
2. Additional depreciation required from the reclassification of Bedminster Fire Station from asset under construction to land and building

Misclassifications and adjustments to disclosures

The table below provides details of any misclassification and disclosure changes identified during the audit.

Misclassification/ Disclosure change	Audit comment	Value (£000)	Adjusted?
Asset under construction	As part of our review of assets under construction we identified that the Bedminster site was operational during the refurbishment and should have been included in land and buildings. This has now been reclassified.	3,753	Y
Trade debtors	A reclassification within Note 17 was required to payments in advance out from other debtors. A prior period adjustment of £1,870k was also required to the 2022-23 comparative figure.	2,923	Y
Firefighter Pension Top up Grant	An amendment has been made to ensure that the Firefighter Pension Top up Grant as stated in the Comprehensive Income and Expenditure Statement is accurate. The reverse entry is within the Cost of Services, so there is no net impact on Total Comprehensive Income and Expenditure. A prior period adjustment of £2,008k was also required to the 2022-23 comparative figure.	1,457	Y
Trade creditors	A reclassification within Note 19 was required to separate accruals out from other creditors. A prior period adjustment of £2,144k was also required to the 2022-23 comparative figure.	1,376	Y

Misclassification/ Disclosure change	Audit comment	Value (£000)	Adjusted?
Trade creditors	A reclassification within Note 19 was required to separate receipts in advance out from other creditors. A prior period adjustment of £966k was also required to the 2022-23 comparative figure.	1,027	Y
Financial instruments	An amendment within Note 21 to include the current PFI Lease Liability rather than just the non-current. A prior period adjustment of £269k was also required to the 2022-23 comparative figure.	293	Y

Unadjusted items

There are no misstatements identified during the course of the audit which are above our reporting threshold and remain unadjusted.

Impact of prior year unadjusted misstatements

The table below provides details of adjustments identified during the prior year which had not been made within the final set of 2022/23 financial statements. This does not have any impact on our 2023/24 audit.

Detail	Comprehensive Income and Expenditure Statement (£'000)	Balance sheet (£'000)	Reason for not adjusting
Misstated accrual – extrapolated	£200k	£200k	Immaterial

7. Management letter points and internal control systems

The Fire Authority's management is responsible for the identification, assessment and monitoring of risk, for developing, operating and monitoring the systems of internal control and for providing assurance to the Those Charged with Governance that it has done so.

In accordance with the terms of our engagement we have not provided a comprehensive statement of all issues which may exist in the accounting and internal control systems or of all improvements which may be made, but outline below our observations arising from the audit; none of which are considered significant.

KEY:



Observations refer to issues that are so fundamental to the system of internal control that management should address immediately to minimise the risk of a material misstatement within the financial statements.



Observations refer mainly to issues that have an important effect on the system of internal control and, if left uncorrected could potentially lead to a material misstatement within the financial statements.



Observations refer to issues that would, if corrected, improve internal control in general and engender good practice, but is unlikely to have a material impact on the financial statements.

Current Year Issues

Source data for valuations	
<p>It was noted during our testing of building valuations that the client was unaware where the Gross Internal Areas (GIAs), which are the key piece of data for the revaluations, originated from.</p> <p>Moreover, our testing identified that there were number of differences between the GIAs used by the valuer, and those on the floorplans of the buildings.</p> <p>This resulted in the Authority being required to ask the valuers for an updated valuation of its buildings, which resulted in the overall Net Book Value of Property, Plant and Equipment increasing by £1,297k.</p>	<p><u>Recommendation</u> Management should ensure they understand the process surrounding the valuations of buildings and the source data which goes into these valuations and should challenge these where appropriate.</p> <p>We recommend that a full review of the GIAs used in valuation calculations is completed for all buildings to ensure these agree back to appropriate documentation.</p> <p><u>Management comment</u> There have been several staff changes within the Estates Department during the past two years. Since the new Head of Estates has been appointed, a piece of work had been started to validate all site Gross Internal Areas (GIAs) by reviewing existing drawings and measurements to ensure they were up to date. Unfortunately, this piece of work was not completed prior to the property valuations having been completed. The work remains ongoing, and an exercise to engage external suppliers to complete some of this work is underway, to ensure that we have sufficient assurance over the GIAs for the March 2024 year end. The external valuers, Bruton Knowles, have also been involved in ongoing conversations on this matter, to ensure they can re-run any valuations which may be required for the year ended March 2024, once GIA information is confirmed.</p>

Employee right to work documents



It was noted as part of our employee existence testing that there was one instance where an ID was not available for an employee who had left the Authority in October 2023.

Recommendation

We recommend that copies of photo identification and all other documents required by statute are to be maintained for the relevant period (2 years after the end of employment).

Management comment

Recommendation is noted. We will look at the one known missing ID to consider any remedy needed for that particular case and any further learning for future. There has been high turnover in the only Recruitment role in the service over the last 2 years and this has resulted in some inconsistencies within processes which may have contributed to this finding. This has now been addressed through:

- process maps being captured and updated for recruitment and onboarding processes
- new automated induction and onboarding checklists and processes being launched (Corporate Staff) and adapted/rolled out for other staff groups imminently
- an internal audit of all right to work checks/documentation is being undertaken (nearing completion) for all staff
- retention schedule will be reviewed to ensure all stated period remain accurate in line with legislation and/or best practice
- plans to develop a business case for an applicant tracking system which will automate many of the current manual processes, reducing the risk of human error with onboarding processes

Blank journal descriptions



It was noted from our testing of manual journals that there was a high number of journal lines posted with blank descriptions.

Recommendation

We recommend that all journals are posted with accurate and descriptive journal descriptions.

Management comment

We believe this has arisen when journals have multiple lines and the description is only included on the first line of the journal. We will ensure the description is included on all lines of a journal posting going forwards.

Assets under construction




It was noted from our testing of assets under construction that the Bedminster site (valued at £815,000) was operational during the refurbishment and should have been included in land and buildings.

Recommendation

We recommend that all elements of a site which is deemed to be under construction is classified as assets under construction in the financial statements.

Management comment

	We will ensure we correctly classify all elements of a site, including both land and buildings, in future.
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Management challenge for Collection Fund debtors	
	
It was noted during our testing of debtors that for Collection Fund debtor balances, the client's management do not provide challenge to the other authorities in relation to the balances included in the accounts which relate to Avon Fire's share of the Collection Fund balances.	<p><u>Recommendation</u></p> <p>We recommend that management gain an understanding of the process by which the billing authorities establish the Collection Fund debtor balances. Management should then seek to challenge the billing authorities in relation to the debtor balances where appropriate.</p> <p><u>Management comment</u></p> <p>Recommendation noted. We will explore ways to increase our understanding of the collection fund balances, with the Unitary Authorities, to allow for valuable challenges to be raised, if required.</p>

Declarations of interest	
	
It was noted during our testing of related party transactions, that declarations of interest had not been received for two Councillors.	<p><u>Recommendation</u></p> <p>We recommend that management put procedures in place to ensure that all declarations are received by the year-end.</p> <p><u>Management comment</u></p> <p>Processes will be reviewed for the year ended March 2025 to help ensure declarations are received from all Members and Officers.</p>

Prior Year Issues – Resolved

Capital additions	
As part of the post year end payment testing completed by Deloitte it was noted that a capital addition had been missed.	<p><u>2022-23 recommendation</u></p> <p>A review of post year end payments should be done to ensure that all expenditure is appropriately accrued.</p> <p><u>2023-24 update</u></p> <p>We did not identify any further issues of this nature.</p>
Manual journal review	
As part of the testing of controls surrounding journals in the prior year it was noted that there was insufficient evidence available supporting the review of manual journals.	<p><u>2022-23 recommendation</u></p> <p>There was a recommendation in place to ensure that review of manual journals is adequately documented.</p> <p><u>2023-24 update</u></p> <p>We did not identify any further issues of this nature.</p>

8. Other matters

Other information

We are required to give an opinion on whether the other information published with the audited financial statements (for example, the Narrative Statement and Annual Governance Statement) is materially inconsistent with the financial statement or our knowledge as obtained during the audit.

Reporting by exception

We are required to report to you by exception the following matters, if:

- the Annual Governance Statement does not comply with “Delivering Good Governance in Local Government: Framework 2016 Edition” published by CIPFA/SOLACE; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Fire Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report on these matters.

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.

Going concern

Our work has not identified a material uncertainty related to going concern. We are satisfied that management’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Value for money arrangements

We are required to satisfy ourselves that the Fire Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024. The Code of Audit Practice requires us to report on the Fire Authority’s arrangements under three specified reporting criteria:

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

We asked management to complete an evidenced self-assessment of the Fire Authority’s arrangements. We then reviewed the evidence provided and carried out follow-up work as appropriate to consider whether there are any significant weaknesses in the Fire Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources.

We have identified significant weaknesses in the arrangements and the results of the Value for Money work are reported separately in our Auditor’s Annual Report.

Whole of Government accounts work

Alongside our work on the financial statements, we also review and report to the National Audit Office on the Authority's Whole of Government Accounts (WGA) return. The extent of our review, and the nature of our report, is specified by the National Audit Office.

We have not yet received group instructions from the National Audit Office in respect of our work on the Authority's WGA submission. We are unable to commence our work in this area until such instructions have been received.

Audit certificate

At the end of the audit, as auditors, we are required to certify the completion of the audit. The effect of this certificate is to close the audit and marks the point when the auditor's responsibilities in respect of the audit of the period covered by the certificate have been discharged.

We expect to issue our audit certificate upon completion of the WGA procedures.

Audit fees

Our final fee for the 2023/24 audit is set out below:

	Fee proposed at planning stage (£)	Final fee (subject to approval by PSAA) (£)
PSAA scale fee 2023/24	£94,178	£94,178
Fee variation in relation to additional procedures in relation to revisions to ISA 315	TBC	£8,500
Fee variation in relation to additional procedures in relation to PFI	N/A	£3,998
Fee variation for the additional procedures in relation to the significant weakness on VFM	N/A	£2,648
Fee variation in relation to delays and additional time required to resolve the issues surrounding the land and buildings valuation	N/A	£7,259
Fee variation in relation to delays and additional time required to resolve the work around the Firefighters' Pension Fund	N/A	£2,628
Total (excluding VAT)	£94,178	£119,211

We can confirm that we have not undertaken any non-audit work at the Fire Authority during the year.

1. Letter of representation

Bishop Fleming LLP
10 Temple Back
Redcliffe
Bristol
BS1 6FL

Date

Dear Sirs and Madams

Avon Fire Authority

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the Avon Fire Authority financial statements for the year ended 31 March 2024. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

1. General

We have fulfilled our responsibilities for the preparation of the Fire Authority's financial statements in accordance with International Financial Reporting Standards and the CIPFA/ LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code) and applicable law and for being satisfied that they give a true and fair view and for making accurate representations to you.

All the transactions undertaken by the Fire Authority have been properly reflected and recorded in the accounting records.

All the accounting records have been made available to you for the purpose of your audit of the Fire Authority. We have provided you with unrestricted access to all appropriate persons within the Fire Authority, and with all other records and related information requested, including minutes of all Fire Authority and Committee meetings.

The financial statements are free of material misstatements, including omissions.

The effects of uncorrected misstatements (as set out in the appendix to this letter) are immaterial both individually and in total.

2. Internal control and fraud

We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and we believe that we have appropriately fulfilled these responsibilities. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.

We have disclosed to you all instances of known or suspected fraud affecting the Fire Authority involving management, employees who have a significant role in internal control or others where fraud could have a material effect on the financial statements.

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

3. Assets and liabilities

The Fire Authority has satisfactory title to all assets and there are no liens or encumbrances on the Fire Authority's assets, except for those that are disclosed in the notes to the financial statements.

Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include PPE and pension liability valuations.

All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.

We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.

4. Accounting estimates

The methods, data and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

5. Legal claims

We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

6. Laws and regulations

We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

We confirm that all correspondence with our Regulators has been made available to you.

7. Related parties

Related party relationships and transactions comply with the Fire Authority's financial regulations, relevant requirements of the Code and have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with regulatory, legislative and accounting standards requirements.

8. Subsequent events

All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

9. Going concern

We believe that the Fire Authority's financial statements should be prepared on a going concern basis on the grounds that the financial reporting framework applicable to local government bodies means that the anticipated continued provision of entity's services in the public sector is normally sufficient evidence of going concern. We have not identified any material uncertainties related to going concern.

10. Annual Governance Statement

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

11. Narrative Report

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

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

We have taken all the appropriate steps in order to make ourselves aware of any relevant audit/ other information and to establish that you are aware of that information.

Yours faithfully

.....
Signed on behalf of the Audit Committee of Avon Fire Authority

Date

2. Required communications with the Audit Committee

Under the auditing standards, there are certain communications that we must provide to the Audit Committee as those charged with governance. These include:

Required communication	Where addressed
Our responsibilities in relation to the financial statement audit and those of management and those charged with governance.	Audit Plan
The planned scope and timing of the audit including any limitations, specifically including with respect to significant risks.	Audit Plan
With respect to misstatements: <ul style="list-style-type: none"> • uncorrected misstatements and their effect on our audit opinion; • the effect of uncorrected misstatements related to prior periods; • a request that any uncorrected misstatement is corrected; and • in writing, corrected misstatements that are significant. 	Audit Completion Report
With respect to fraud communications: <ul style="list-style-type: none"> • enquiries of those charged with governance to determine whether they have a knowledge of any actual, suspected or alleged fraud affecting the entity; • any fraud that we have identified or information we have obtained that indicates that fraud may exist; and • a discussion of any other matters related to fraud. 	Audit Completion Report Discussions at audit committees
Significant matters arising during the audit in connection with the entity's related parties.	Audit Completion Report
Significant findings from the audit including: <ul style="list-style-type: none"> • our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures; • significant difficulties, if any, encountered during the audit; • significant matters, if any, arising from the audit that were discussed with management; • written representations that we are seeking; • expected modifications to the audit report; and • other matters significant to the oversight of the financial reporting process or otherwise identified during the audit that we believe will be relevant to the Committee when fulfilling their responsibilities. 	Audit Completion Report
Significant deficiencies in internal controls identified during the audit.	Audit Completion Report
Where relevant, any issues identified with respect to authority to obtain external confirmations or inability to obtain relevant and reliable audit evidence from other procedures.	Audit Completion Report
Audit findings regarding non-compliance with laws and regulations	Audit Completion Report Discussions at audit committees
Significant matters in relation to going concern.	Audit Completion Report
Indication of whether all requested explanations and documents were provided by the entity.	Audit Completion Report
Confirmation of independence and objectivity of the firm and engagement team members.	Audit Plan Audit Completion Report



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