

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT AND RISK COMMITTEE

27 NOVEMBER 2023

1. **AUDITOR'S ANNUAL REPORT 2021/22 AND 2022/23 & AUDIT PROGRESS UPDATE 2022/23**

Report of the Treasurer.

RECOMMENDED

- 1.1. THAT the Audit and Risk Committee approve the Annual Report 2021/22 and 2022/23.
- 1.2. THAT the Audit and Risk Committee note the update on the progress of the 2022/23 external audit.

2. **PURPOSE OF REPORT**

- 2.1. To approve the Annual Report 2021/22 and 2022/23.
- 2.2. To note the update on the progress of the 2022/23 external audit.

3. **BACKGROUND**

- 3.1 The Authority is required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy auditors that it has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office requires auditors to report their commentary to the Audit and Risk Committee.
- 3.2 The proper arrangements are assessed under three areas: financial sustainability, governance and improving economy, efficiency, and effectiveness.
- 3.3 The Authority's external auditors are Grant Thornton.

4. **AUDITOR'S ANNUAL REPORT 2021/22 & 2022/23**

- 4.1 Financial sustainability includes planning resources to ensure adequate finance and maintaining sustainable levels of spending.

4.2 Three recommendations have been made by Grant Thornton, which have been accepted by management:

- the Authority should establish a clear savings target, develop a savings plan and savings monitoring arrangements.
- develop a borrowing strategy to fund the Capital Programme.
- include financial risk reporting in quarterly monitoring of finance report.

4.3 Governance includes ensuring decisions made are based on appropriate information.

4.4 Improving economy, efficiency and effectiveness includes understanding costs and delivering efficiencies to improve service outcomes.

4.5 The Auditor's Annual Report on WMFRA 2021/22 and 2022/23 is included in Appendix B.

5. **AUDIT PROGRESS UPDATE 2022/23**

5.1 The external audit is being carried out by Grant Thornton on the draft Statement of Accounts 2022/23. The substantive final audit is scheduled from 6th November 2023 to 15th December 2023.

5.2 Progress is being made to provide evidence and support with testing to meet the required deliverables.

6. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out. The matters contained in this report do not relate to a policy change.

7. **LEGAL IMPLICATIONS**

There are no direct legal implications associated with the implementation of the recommendations set out in this report.

8. **FINANCIAL IMPLICATIONS**

There are no financial implications associated with the implementation of the recommendations set out in this report.

9. **ENVIRONMENTAL IMPLICATIONS**

There are no specific environmental impact of this report, as it does not relate to a policy change.

The contacts for this report are Sofia Mahmood, Head of Finance and Procurement (S151) & Avtar S Sohal, Director, Grant Thornton UK LLP

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