



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority
Finance and Resources Committee

ANNUAL AUDIT LETTER 2016/17

Report of the Treasurer to the Fire Authority

Date: 19 January 2018

Purpose of Report:

To present the Annual Audit Letter 2016/17 from KPMG for information.

CONTACT OFFICER

Name : Becky Smeathers
Head of Finance

Tel : 0115 967 0880

Email : becky.smeathers@notts-fire.gov.uk

Media Enquiries Contact : Therese Easom
(0115) 8388690 therese.easom@notts-fire.gov.uk

1. BACKGROUND

- 1.1 The Annual Audit Letter is a statutory report issued by the Authority's External Auditors, KPMG, which sets out the issues arising from the previous year's audit of the Authority's accounts and the assessment of the Authority's arrangements to achieve value for money in the use of resources.

2. REPORT

- 2.1 The Annual Audit Letter is attached at Appendix A to this report. It summarises the ISO260 report which was received by the Fire Authority on 15 December 2017.
- 2.2 KPMG issued an unqualified conclusion on the Authority's arrangements to secure value for money for 2016/17 on 29 September 2017. This means that they were satisfied that the Authority had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources.
- 2.3 An unqualified audit opinion was also issued on the Authority's 2016/17 financial statements meaning that they gave a true and fair view of the financial position of the Authority.

3. FINANCIAL IMPLICATIONS

The audit fee for 2016/17 was £31,050.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

There are no human resources and learning and development implications arising from this report.

5. EQUALITIES IMPLICATIONS

An equality impact assessment has not been undertaken because this report is not associated with a policy.

6. CRIME AND DISORDER IMPLICATIONS

There are no crime and disorder implications arising from this report.

7. LEGAL IMPLICATIONS

There are no legal implications arising from this report.

8. RISK MANAGEMENT IMPLICATIONS

The external audit process forms part of the risk management of the Authority's financial affairs.

9. COLLABORATION IMPLICATIONS

There are no collaboration implications arising from this report.

10. RECOMMENDATIONS

That Members note the contents of this report.

11. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)

None.

Theresa Channell
ACTING TREASURER TO THE FIRE AUTHORITY



Annual Audit Letter 2016/17

**Nottinghamshire and City of
Nottingham Fire Authority**

October 2017



Contents

Report sections

Summary 2

Appendices

1. Summary of reports issued 3

This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. Public Sector Audit Appointments issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies summarising where the responsibilities of auditors begin and end and what is expected from audited bodies. We draw your attention to this document which is available on Public Sector Audit Appointment's website (www.psa.co.uk).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Andrew Cardoza, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers (andrew.sayers@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can access PSA's complaints procedure by emailing generalenquiries@psaa.co.uk, by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

The contacts at KPMG in connection with this report are:



Andrew Cardoza

Director

KPMG LLP (UK)

T: +44 (121) 232 3869

E: andrew.cardoza@kpmg.co.uk



Umar Jillani

Assistant Manager

KPMG LLP (UK)

T: +44 (121) 232 3000

E: umar.jillani@kpmg.co.uk

This Annual Audit Letter summarizes the outcome from our audit work at Nottinghamshire and City of Nottingham Fire Authority in relation to the 2016/17 audit year. Although it is addressed to the Authority, it is also intended to communicate these key messages to key external stakeholders, including members of the public, and will be placed on the Authority's website.

VFM conclusion

We issued an unqualified conclusion on Authority's arrangements to secure value for money (VFM conclusion) for 2016/17 on 29 September 2017. This means we are satisfied that during the year the Authority had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources.

To arrive at our conclusion we looked at the Authority's arrangements to make informed decision making, sustainable resource deployment and working with partners and third parties.

VFM risk areas

We undertook a risk assessment as part of our VFM audit work to identify the key areas impacting on our VFM conclusion and considered the arrangements you have put in place to mitigate these risks. We identified one area of focus for our continuing VFM risk assessment, regarding your arrangements for securing financial resilience. We took account of, amongst other things, your 2016/17 outturn and your financial plan for 2017/18 and future years.

For the year ending 31 March 2017, Authority have reported a group surplus of £0.4m. Overall, we concluded that in 2016/17, Authority had made proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

Audit opinion

We issued an unqualified opinion on both the Authority's financial statements on 29 September 2017. This means that we believe the 2016/17 financial statements give a true and fair view of the financial position of Authority's and of its expenditure and income for the year.

Financial statements audit

No material errors were identified during the audit and there were no uncorrected audit differences that we needed to report. We considered Authority's accounting practices to be appropriate, the draft accounts were published well ahead of the deadline and the quality of supporting working papers was good.

Other information accompanying the financial statements

Whilst not explicitly covered by our audit opinion, we review other information that accompanies the financial statements to consider its material consistency with the audited accounts. This year we reviewed the Annual Governance Statement and Narrative Report. We concluded that they were consistent with our understanding of Authority and did not identify any issues.

Certificate

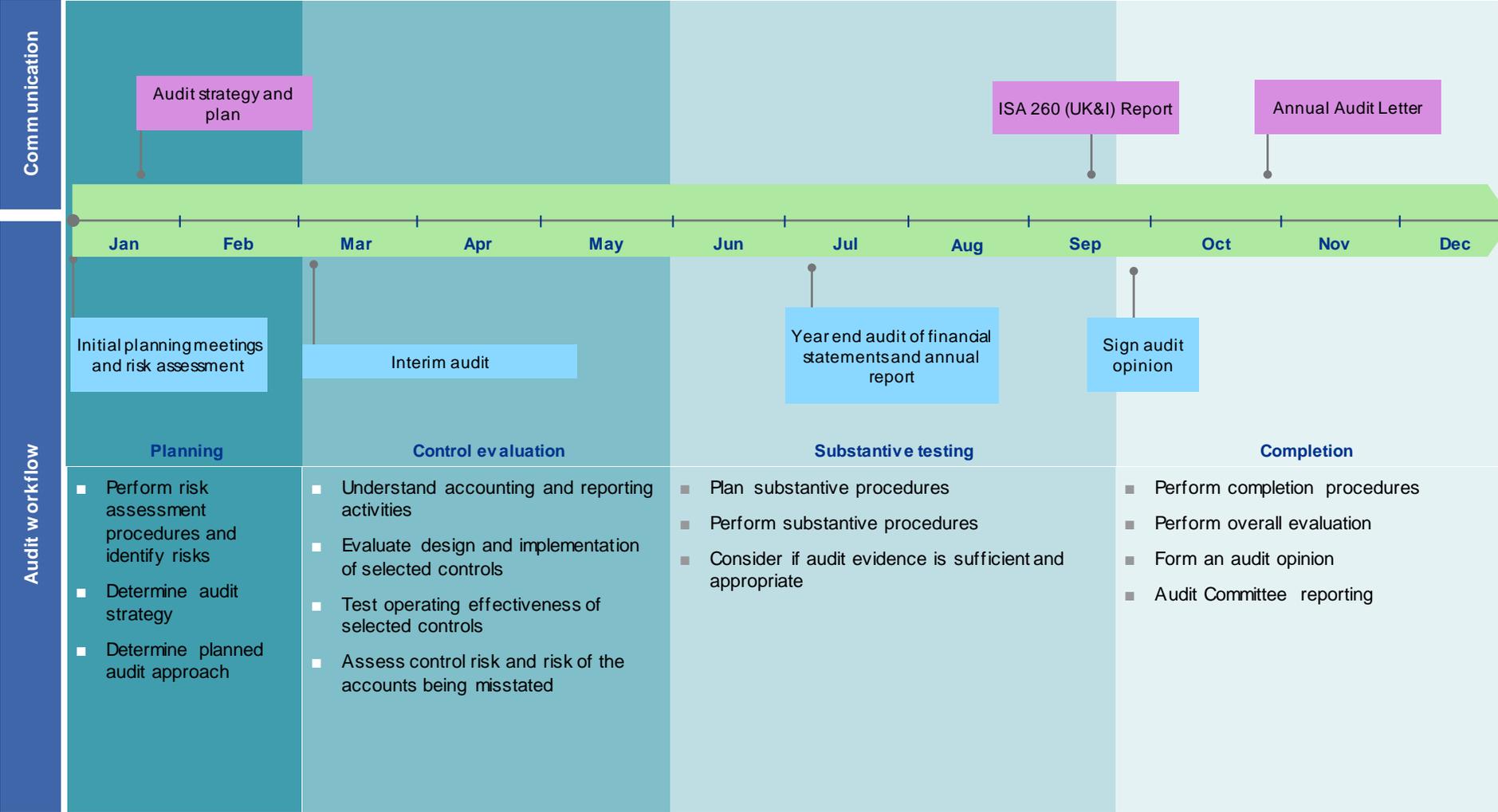
We issued our certificates on 29 September 2017. The certificate confirms that we have concluded the audit for 2016/17 in accordance with the requirements of the Local Audit & Accountability Act 2014 and the Code of Audit Practice.

Audit fee

Our audit fees for 2016/17 were for the Authority: **£31,050** which is unchanged from our 2015/2016 audit fee. Our audit fee includes our work on the VFM conclusion and our audit of the Authority's financial statements.

Appendix 1: Summary of reports issued

This appendix summarises the reports we issued since our last Annual Audit Letter





© 2017 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. All rights reserved.