NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority

EXTERNAL AUDITORS' REPORT TO THOSE CHARGED WITH GOVERNANCE 2018/19

Joint Report of the Chief Fire Officer and the Treasurer to the Fire Authority

Date: 20 December 2019

Purpose of Report:

To present the External Auditors' ISA 260 Report to Members, and to seek approval of the management representation letter to the External Auditors.

Recommendations:

- That Members note the contents of the External Auditors' ISA 260 report, attached at Appendix A.

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1. BACKGROUND

1.1 The External Auditors are required by the International Standard on Auditing 260 (ISA 260) to communicate about the audit of the Authority's financial statements to those charged with governance. This communication is in the form of a written report, which is attached as Appendix A.

1.2 This covering report sets out the key points within the ISA 260 report. The principal purposes of the Auditors' report are:

- To present key issues identified during the audit of the financial statements for the year ended 31 March 2019 and any material misstatements in the accounts;
- To report on any key issues for governance;
- To report on the Auditors' Value for Money conclusion;
- To give an "audit opinion" on the financial statements;
- To report on the implementation of any recommendations in the previous year's ISA 260 report;
- To seek approval to the management representation letter, which confirms the Authority's responsibilities and actions in relation to the financial statements.

1.3 The Ernst Young manager of the Authority's audit will be attending the meeting to present the report and answer any questions arising, and will also provide Members with an update on the audit work completed since this report was written.

2. REPORT

2.1 The annual audit is in the completion stage and the ISA 260 report sets out the key issues to be considered by Members prior to the audit opinion being issued.

2.2 The ISA 260 report confirms that the Auditors expect to issue an unqualified audit and an unqualified Value for Money conclusion.

2.3 The audit has identified a number of amendments to be made to the accounts. These are detailed on Page 23 of the ISA260 report. The most significant amendment relates to the revised actuarial calculations on both the Firefighters' Pension Fund and the Local Government Pension Fund to reflect the recent McCloud judgment on

the transition arrangements in the 2015 firefighter's pension scheme which have been judged to be age discriminatory.

2.4 The amendments had no impact on the outturn position reported to Finance and Resources Committee on 28 June 2019, which reported the use of £1.377m of funding from general reserves.

2.5 The ISA 260 report identifies several audit differences which have not been amended on the grounds of materiality. These can be found on Page 24 of the report.

2.6 The audit identified a number of areas where the reporting function within the general ledger accounting system did not provide a sufficient breakdown of information to verify a number of fixed asset entries. Work has already commenced to correct this problem in order that it is resolved in time for the 2019/20 audit.

2.7 The valuation of assets is currently undertaken on a five-year rolling programme. The audit has identified that where assets have not been valued for several years, the valuation figure can be materially misstated. The accounting policy for valuing assets will be reviewed before the 2019/20 valuations are undertaken.

3. FINANCIAL IMPLICATIONS

The proposed Annual Audit Fee for 2018/19 was £23,909, although this may be subject to additional fees. The Fee for 2019/20 is expected to remain at £23,909.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

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

5. EQUALITIES IMPLICATIONS

An equality impact assessment has not been carried out because this is a report about the External Audit of the financial statements and not a new 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 work of the External Auditors in their audit of the Authority's financial statements provides an independent view of the adequacy of internal controls, the accuracy of the final accounts and an assessment of the Authority's arrangements for achieving value for money. This provides Members with some assurance about the quality of financial management and financial reporting within the Authority.

9. COLLABORATION IMPLICATIONS

There are no collaboration implications arising from this report.

10. RECOMMENDATIONS

That Members note the contents of the External Auditors' ISA 260 report, attached as Appendix A.

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

None.

John Buckley
CHIEF FIRE OFFICER

Charlotte Radford
TREASURER TO THE FIRE AUTHORITY

Nottinghamshire Fire and Rescue Authority

Audit results report

Year ended 31 March 2019

5 December 2019

Building a better working world

Private and confidential

Nottinghamshire Fire and Rescue Authority
Headquarters
Bestwood Lodge Drive
Arnold
Nottingham
NG5 8PD

5 December 2019

Dear Members of the Nottinghamshire Fire and Rescue Authority

We are pleased to attach our audit results report for the forthcoming meeting of the Fire Authority. This report summarises our preliminary audit conclusion in relation to the audit of Nottinghamshire Fire and Rescue Authority (the Authority) for 2018/19.

Subject to concluding the outstanding matters listed in our report, we confirm that we expect to issue an unqualified audit opinion on the financial statements in the form at section 3. We also have no matters to report to date on your arrangements to secure economy, efficiency and effectiveness in your use of resources and we will finalise our conclusion once we have completed all our outstanding work.

This report is intended solely for the use of Members of The Authority and senior management. It should not be used for any other purpose or given to any other party without obtaining our written consent.

We would like to thank your staff for their help during the engagement. We welcome the opportunity to discuss the contents of this report with you at the Fire Authority meeting on 20 December 2019.

Yours faithfully

Neil Harris
Associate Partner

For and on behalf of Ernst & Young LLP
Encl

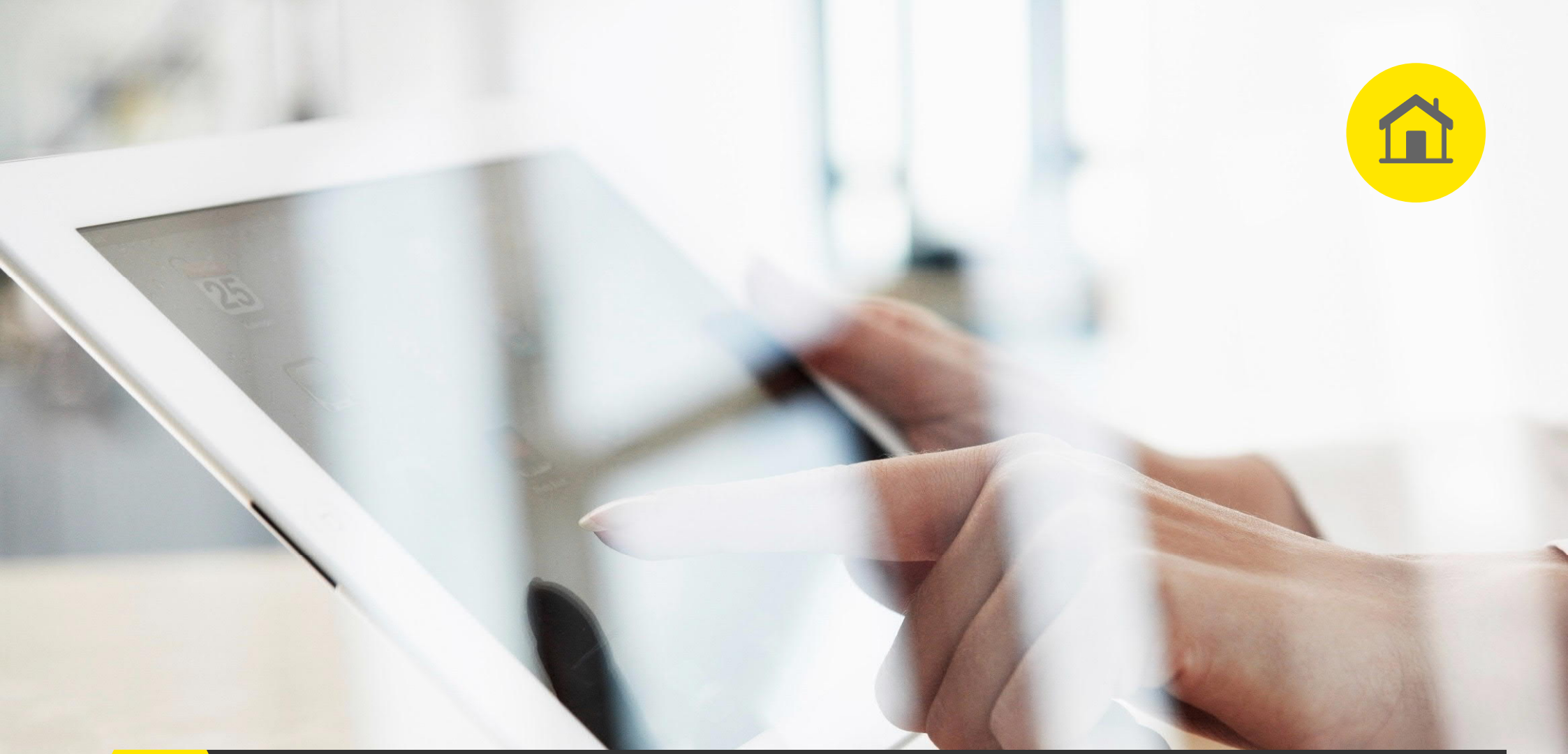
Contents

Public Sector Audit Appointments Ltd (PSAA) have issued a 'Statement of responsibilities of auditors and audited bodies'. It is available from the Chief Executive of each audited body and via the PSAA website (www.psaa.co.uk). This Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The 'Terms of Appointment (updated April 2018)' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Audit Results Report is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.



01 Executive Summary

Executive Summary

Scope update

Our audit planning report, tabled at the 29 March 2019 Finance and Resources Committee meeting, provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan. However, as communicated in our progress report dated 16 September 2019 we have extended our procedures in the following areas:

- Inclusion of a significant risk for the existence of Property, Plant and Equipment. This arose as our audit indicated that the Register for Property, Plant and Equipment did not reconcile to the relevant Note at gross asset and gross depreciation level with the relevant Note 15, in the financial statements;
- Inclusion of a significant fraud risk as regards the capitalisation of revenue expenditure, given that capital expenditure within the draft financial statements is above our performance materiality;
- Engagement of EY's internal valuers, EY Real Estate, to review the valuations of higher risk assets valued at depreciated replacement cost;
- Engagement of EY Real Estates to challenge the assumptions of the Authority's own valuer in respect of a number of assets not revalued in the year, where our initial assessment of the valuation based on indices indicated that the estimate for depreciated replacement cost valuations were outside our acceptable range;
- We extended our audit procedures to review management's consideration of the judgment and apply sensitivity analysis to the local government actuarial amendments in response to the McCloud/Sargeant judgment, brought to address the impact of historical age discrimination in the treatment of pensioners. We have also considered actuarial assessments as regards Guaranteed Minimum Pension and the movement of pension assets between the original date of the actuarial valuation and the 31 March 2019;
- Given the complexity of the Firefighter Pension Scheme Membership, we have engaged EY's Pensions to review the Pension Fund's actuaries calculations for the McCloud/Sargeant adjustment; and
- In respect of our value for money conclusion we have identified three new significant risks:
    - The Authority's Medium Term Financial Plan highlighted the continued use of significant General and Earmarked Reserves to support the budget is not sustainable and would result in the Authority falling below the £3.9m minimum level agreed if the identified budget gap of £1.576 million deficit (being £798k in 2020/21 and £778k in 2021/2) is not eliminated in 2020/21. we have included a significant risk to assess financial resilience;
    - In July 2018 Authority Members approved the establishment of a Strategic Collaboration Board with Derbyshire Fire & Rescue Service. Arising from this collaboration was a Joint Fire Control Centre with Derbyshire located at Ascot Drive, Derby. The control centre became operational on 1 July 2019. However, given the disclosure of Termination Benefits for fourteen employees to the value of £0.648 million we have included a significant risk within our Value for Money Conclusion work to review the governance arrangements and decision-making process for the implementation of the joint control room; and
    - In February 2019, the Fire Authority agreed to enter into a collaboration agreement with the Police and Crime Commissioner CC of Nottinghamshire through a Limited Liability Partnership for a joint headquarters at Sherwood Lodge. We have included a significant risk within our Value for Money Conclusion work to review the governance arrangements and decision-making process for the joint Headquarters.

- We have reported the results of our work in Section 2 of this Report.

Executive Summary

Scope update

Changes in Materiality

- We have updated our planning materiality assessment using the draft results and have also reconsidered our risk assessment. Based on our materiality measure of gross expenditure on provision of services, we have updated our overall materiality assessment to £1.326m (Audit Planning Report – £1.071m). This results in updated performance materiality, at 50% of overall materiality, of £0.663m (£0.535), and an updated threshold for reporting unadjusted misstatements of £61,000 (£54,000).
- We also updated our materiality in respect of the Firefighters' Pension Fund Accounts. Based on our materiality measure using Benefits Payable, we have updated our overall materiality assessment to £0.329m (Audit Planning Report – £0.281m). This results in updated performance materiality, at 50% of overall materiality, of £0.165m (£0.140), and an updated threshold for reporting misstatements of £16,000 (£14,000).

Status of the audit

Our audit procedures are substantially complete. We received a revised set of financial statements on 21 November which contained revisions to the property, plant and equipment disclosures, expenditure and funding analysis (including prior period adjustment) and incorporation of the impact of the McCloud judgement in respect of the Pension Scheme Liabilities.

We have performed the procedures outlined in our audit planning report except for the changes in scope referenced on the previous page.

We have set out in Appendix B the remaining areas of work to be completed at the time of writing this report. Subject to satisfactory completion of those matters, we expect to issue an unqualified opinion on the Authority's financial statements in the form which appears at Section 3. However until work is complete, further amendments may arise.

Audit differences

We identified a number of unadjusted audit differences in the course of our audit which are set out in section 4 of this report. The net impact of these would be to reduce the reported outturn by £128k.

We have reported those adjusted audit differences above our audit performance materiality threshold in Section 4 Audit Differences.

Additionally, we identified differences in the draft financial statements which management has chosen not to adjust. We ask that they be corrected or a rationale as to why they are not corrected be approved by the Nottinghamshire Fire and Rescue Authority and included in the Letter of Representation.

Executive Summary

Areas of audit focus

Our Audit Planning Report identified key areas of focus for our audit of the Authority's financial statements This report sets out our observations and conclusions, including our views on areas which might be conservative, and where there is potential risk and exposure. We summarise our consideration of these matters, and any others identified, including our work on the valuation of assets and the revised actuarial reports commissioned by the Authority in the "Key Audit Issues" section of this report.

We ask you to review these and any other matters in this report to ensure:

- There are no other considerations or matters that could have an impact on these issues
- You agree with the resolution of the issue
- There are no other significant issues to be considered.

There are no matters, apart from those reported by management or disclosed in this report, which we believe should be brought to the attention of the Nottinghamshire Fire and Rescue Authority.

Control observations

We have adopted a fully substantive approach, so have not tested the operation of controls. However, we wish to report the following area where improvements could be made to the control environment:

- A rigorous quality control of the financial statements and supporting working papers before publication for 31 May 2019 deadline;
- A review of the Property, Plant and Equipment Register to ensure that it is able to provide audit trails which support the financial statements; and
- Collation of all documents relevant to the £8.6 million Lender option, Borrow Option (LOBO) loan, including the agreement to evidence break clauses and potential interest rate rises.

Our key considerations are outlined in section 7.

Value for money

We have considered your arrangements to take informed decisions, deploy resources in a sustainable manner and work with partners and other third parties. In our Audit Planning Report we identified no significant risks around our Value for Money Conclusion. However, following the start of our audit we have identified three significant risks being:

- Sustainable resource deployment: the Authority's arrangements for the addressing the budget gap of £1.576 million by 31 March 2022, given the use of £1.595 million and £1.780 million General and Earmarked Reserves in 2018/19 to fund the budget and the anticipated £1.240 million use of General Fund Reserves highlighted in the February 2019 Medium Term Financial Plan to fund the 2019/20 budget;
- Taking informed decisions and working with partners and third parties: the Authority's arrangements for the governance and decision making processes concerning Joint Fire Control Centre with Derbyshire Fire and Rescue Authority located at Ascot Drive, Derby; and
- Taking informed decisions and working with partners and third parties: the Authority's arrangements for the governance and decision making processes concerning Joint Police and Fire Headquarters with the Police and Crime Commissioner for Nottinghamshire.

We have undertaken appropriate procedures and concluded that we have no matters to include in the auditor's report about your arrangements to secure economy efficiency and effectiveness in your use of resources and anticipate issuing an unmodified opinion. Our key considerations are outlined in section 5.

Executive Summary

Other reporting issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the Authority. The Authority has made a number of amendments to the Annual Governance Statement as a result of our work (See Section 6). We have no other matters to report as a result of this work.

We have also reviewed the Authority's Narrative Report for consistency with the financial statements and our knowledge. We have made observations about enhanced context within the Report and the highlighting the key performance indicators within the Report. We have no other matters to report as a result of this work.

We are not reporting any matters to the National Audit Office (NAO) regarding the Whole of Government Accounts submission as the Authority falls below the £500 million threshold for review as per the NAO's group instructions.

We have no other matters to report.

Independence

Please refer to Section 9 for our update on Independence. We have no independence issues to bring to your attention.

02 Areas of Audit Focus

Significant risk

Misstatements due to fraud or error

What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

What judgements are we focused on?

We have considered the risk of management override and the areas of the financial statements that may be most susceptible to this risk. For the Authority, we have identified the potential for the incorrect classification of revenue spend as capital where there is a risk of fraud or error.

What did we do?

- Identified fraud risks during the planning stages;
- Asked management about risks of fraud and the controls put in place to address those risks;
- Understood the oversight given by those charged with governance of management's processes over fraud;
- Considered the effectiveness of management's controls designed to address the risk of fraud;
- Performing mandatory procedures regardless of specifically identified fraud risks, including testing of journal entries and other adjustments in the preparation of the financial statements.
- Test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements
- Assess accounting estimates for evidence of management bias, and
- Evaluate the business rationale for significant unusual transactions.

What are our conclusions?

We have not identified any material weaknesses in controls or evidence of material management override.

We have not identified any instances of inappropriate judgements being applied.

We did not identify any other transactions during our audit which appeared unusual or outside the Authority's normal course of business.

Significant risk

Incorrect capitalisation of revenue expenditure

What is the risk?

As identified in ISA 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that would otherwise appear to be operating effectively.

In considering how the risk of management override may present itself, we conclude that this is primarily through management taking action to override controls and manipulate in year financial transactions that impact the medium to longer term projected financial position.

A key way of improving the revenue position is through the inappropriate capitalisation of revenue expenditure. The Authority has a significant fixed asset base and had material capital expenditure of £0.893 million and therefore has the potential to impact the revenue position through inappropriate capitalisation.

What judgements are we focused on?

How management decides on appropriate capitalisation of revenue expenditure.

How the capital programme complies with proper capital strategy principles.

What did we do?

- Sample testing additions to property, plant and equipment to ensure that they have been correctly classified as capital and included at the correct value in order to identify any revenue items that have been inappropriately capitalised.

What are our conclusions?

We have not identified any additions that were incorrectly capitalised.

Significant risk

Valuation of Land and Buildings

What is the risk?

Valuation of Land and Buildings

The fair value of land and buildings, assets under construction and investment properties represents significant balances in the accounts and are subject to valuation changes, impairment reviews and depreciation charges.

Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet

What judgements are we focused on?

How management has valued its land and buildings, taking into account source documentation, useful economic lives and depreciation and is content that all valuations ae up to date.

How management ensures the existence of all its assets.

What did we do?

- Considered the work performed by the Authority's valuer; District Valuation Service (DVS), including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- Sample tested key asset information used by the valuers in performing their valuation (e.g. floor plans to support valuations based on price per square metre);
- Considered the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code for PPE. We also considered if there are any specific changes to assets that have occurred and that these have been communicated to the valuer, for example on construction work with Fire Stations (e.g. at Hucknall, Newark and Worksop);
- Reviewed assets not subject to valuation in 2018/19 to assess whether the remaining asset base is free from material misstatement;
- Considered changes to useful economic lives as a result of the most recent valuation; and
- Tested accounting entries have been correctly processed in the financial statements.

Significant risk

Valuation of Land and Buildings (continued)

What is the risk?

Valuation of Land and Buildings

The fair value of land and buildings, assets under construction and investment properties represents significant balances in the accounts and are subject to valuation changes, impairment reviews and depreciation charges.

Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet

What are our conclusions?

We engaged EY Real Estates to review in detail a sample of 4 specific assets: Former Newark Fire Station, New Newark Fire Station, Service Delivery Centre and Edwinstowe Fire Station. The results of this review were then used to provide assurance over the remaining valuations provided by DVS. EY Real Estate advised that the valuation of New Newark Fire Station of £3.25m was overstated by between £300k-£600k. This was primarily due to the method by which the associated land has been valued (incorrectly as 30% of the depreciated replacement cost of the building rather than on a market basis). As a result of this finding, we engaged EY Real Estate to further examine the land values of an additional sample of assets (Bingham fire station, Collingham fire station, Edwinstowe fire station, Harworth fire station and Warsop fire station). No issues were found in the extended sample, with the values being within an acceptable range. We have recorded the overstatement of the land value at the New Newark fire station of £600k on our summary of audit differences.

We traced the valuations provided by the valuer through to the fixed asset register. In doing so we noted that the Former Newark Fire Station (valued at £250k) is a surplus asset, but has not been disclosed as such in the financial statements. This is not in compliance with the CIPFA Code of Practice on Local Authority Accounting. It is a balance sheet reclassification misstatement only.

We considered whether the carrying value of those assets not valued during 2018/19 were materially misstated. Using indices provided by the consulting valuer, engaged by the national Audit office, we determined that the assets were undervalued by £3.5m. The Authority then sought further input from its valuer to consider whether the valuation of certain key assets had materially moved since last formal valuation. This concluded that the value of these 3 assets was understated by £1.9m. Management have adjusted the draft financial statements to reflect these revaluation increases. The remaining undervaluation of assets not valued in the year has been recorded on our summary of audit differences. Management do not consider this to be material to the users of the financial statements.

The CIPFA Code of Practice on Local Authority Accounting requires that revaluations should be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using the current value at the end of the reporting period. We requested that Management make a late adjustment to the 2018/19 financial statements to ensure this requirement is fulfilled. We therefore recommend that management ensure that as part of the annual financial statement preparation process, a formal assessment is undertaken as to the appropriateness of the carrying value of the assets not formally revalued in year.

Significant risk

Valuation of Land and Buildings (continued)

What is the risk?

Valuation of Land and Buildings

The fair value of land and buildings, assets under construction and investment properties represents significant balances in the accounts and are subject to valuation changes, impairment reviews and depreciation charges.

Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet

What are our conclusions?

The CIPFA Code of Practice on Local Authority Accounting sets out that when the carrying amount of property, plant and equipment is increased as a result of a revaluation, the increase shall be recognised in the revaluation reserve, unless the increase is reversing a previous impairment loss or valuation decrease charged to the surplus or deficit on the provision of services on the same asset. The authority has recognised £419k within the CIES reversing previous downward revaluations and/or impairments. Our audit testing concluded that there was insufficient evidence that losses to this extent had been taken through the CIES in previous years and therefore that the CIES is overstated by £191k. This has been included on our summary of uncorrected misstatements in section 4.

Significant risk

Existence of Property, Plant and Equipment

What is the risk?

Although agreeing for the net book value of assets, the Property, Plant and Equipment Register did not agree to the financial statements at the Gross Book Value and Depreciation level.

The Register was recording less assets than were shown in the financial statements,

This poses a risk that the financial statements contain assets which are not in operational use by the Authority.

What judgements are we focused on?

How management ensures that all assets recorded in the financial statements exist.

What did we do?

- Undertaken work to agree the register for Property, Plant and Equipment to the financial statements;
- Challenged whether the approach to correcting errors which were also present in the prior year(s) financial statements was in accordance with applicable accounting standards;
- Sample tested assets to land registry records or other supporting information to demonstrate that assets exist, in a manner responsive to our significant risk assessment.

What are our conclusions?

Our audit work identified differences at the Gross Book level and Depreciation level between the register for Property, Plant and Equipment and the financial statements.

The Authority have used a consultant to review the register to resolve the differences and to provide the relevant audit trails to check the integrity of the Register and to ensure that it supports the financial statements

These procedures identified various errors in the financial statements going back previous years where the assets disclosed in the notes to the accounts were no longer in operational use and/or no longer existed. This impacted the disclosed gross book value and accumulated depreciation of the assets, not the net book value. The errors were neither qualitatively nor quantitatively material to the financial statements and therefore have been corrected in the 2018/19 financial year (rather than as a prior period adjustment). We concur with this treatment.

We have performed sample testing on the property, plant and equipment assets at a level responsive to our significant risk assessment; tracing back to source documentation/evidence to ensure that the sampled assets exist. We have found no issues to report.

Other areas of audit focus – Pension Fund Liability

What is the area of focus?	What did we do?	Our Conclusions
Pension Liability Valuation The Local Authority Accounting Code of Practice and IAS19 require extensive disclosures within the financial statements regarding membership of the Local Government Pension Scheme administered by Nottinghamshire County Council. The information disclosed is based on the IAS 19 report issued to the PCC and CC by the actuaries to the Nottinghamshire Pension Fund and also the Firefighter Pension Fund. Accounting for these schemes involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates	Local Government and Fire Fighters Pension Schemes We have: • Liaised with the auditors of the Pension Fund, to obtain assurances over the information supplied to the actuary in relation to the Authority for the Local Government Pension Scheme (LGPS); • Assessed the work of the Pension Fund actuary for the two schemes Barnett Waddingham (LGPS) and the Mercer's (Firefighters' Pension Scheme), including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by the National Audit Office for all Local Government sector auditors, and considering any relevant reviews by the EY actuarial team; and • Reviewed and tested the accounting entries and disclosures made within the Authority's financial statements in relation to IAS19. Fire Fighters Pension Scheme (only) We have: • Tested a sample of lump sums and pension payments for new fire fighter pensioners; and • Completed a predictive analytical review for both the pensions payroll and employees and employers pension contributions; McCloud/Sargeant, Guaranteed Minimum Pension (GMP) and estimated and actual asset values. • We have applied sensitivity analysis to the local government actuarial amendments in response to the McCloud/Sargeant judgments and considered actuarial assessments as regards GMP and the movement of pension assets; and • Given the complexity of the Firefighter Pension Scheme Membership, we have engaged EY's Pension's to review the Pension Fund's actuaries calculations for the McCloud/Sargeant adjustment	The Authority requested an further actuarial report to account for the impact on the pension liability from the effect of the McCloud/ Sargeant and GMP judgements and change in asset values. We assessed the assumptions within the Authority's updated actuarial reports and reviewed the movement on the total fund asset values. The impact of these changes has been to increase the pension fund liability by £24.4 million from £544.3 million to £568.7 million. Management have amended the financial statements to reflect these increases, see Section 4 for the adjustments. Management has also removed the contingent liability disclosure and updated other references relating to McCloud as the sums have now been accounted for through the Accounting for Pension Costs Notes in the financial statements. We have not identified any issues with the accounting entries and disclosures made within the financial statements for the Local Government Pension Scheme. Our EY Pensions Team reviewed the assumptions made for the McCloud impact on the Fire Fighters Pension Schemes and concluded that these were reasonable.

03 Audit Report

Audit Report

Our draft opinion on the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOTTINGHAMSHIRE FIRE AND RESCUE AUTHORITY

Opinion

We have audited the financial statements and the firefighters' pension fund financial statements of Nottinghamshire Fire and Rescue Authority for the year ended 31 March 2019 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Movement in Reserves Statement
- Comprehensive Income and Expenditure Statement,
- Balance Sheet,
- Cash Flow Statement;
- Related notes 1 to 42; and
- The firefighters' pension fund financial statements comprising the Pension Statements, the Pension Net Assets Statement and the related notes 1 to 6.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.

In our opinion the financial statements:

- Give a true and fair view of the financial position of Nottinghamshire Fire and Rescue Authority as at 31 March 2019 and of its expenditure and income for the year then ended; and
- Have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's (C&AG) AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The Chief Financial Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Narrative Report other than the financial statements and our auditor's report thereon. The Chief Finance Officer (S151 Officer) is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Audit Report

Our opinion on the financial statements

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Local Audit and Accountability Act 2014

Arrangements to secure economy, efficiency and effectiveness in the use of resources

In our opinion, based on the work undertaken in the course of the audit, having regard to the guidance issued by the Comptroller and Auditor General (C&AG) in November 2017, we are satisfied that, in all significant respects, Nottinghamshire Fire and Rescue Authority put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Authority;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;
- 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;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Responsibility of the Treasurer

As explained more fully in the Statement of the Treasurer's Responsibilities set out on page 17, the Treasurer is responsible for the preparation of the Statement of Accounts, which includes the Authority financial statements and the firefighters pension fund financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19, and for being satisfied that they give a true and fair view.

Draft audit report

Our opinion on the financial statements

In preparing the financial statements, the Treasurer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority either intends to cease operations, or have no realistic alternative but to do so.

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources
We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017, as to whether Nottinghamshire Fire and Rescue Authority had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether Nottinghamshire Fire and Rescue Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, Nottinghamshire Fire and Rescue Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority 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 (NAO) requires us to report to you our conclusion relating to proper arrangements.

We report if significant matters have come to our attention which prevent us from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Draft audit report

Our opinion on the financial statements

Certificate
We certify that we have completed the audit of the accounts of Nottinghamshire Fire and Rescue Authority in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

Use of our report
This report is made solely to the members of Nottinghamshire Fire and Rescue Authority as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Neil Harris (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Luton

Date

The maintenance and integrity of the Nottinghamshire Fire and Rescue Authority web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

04 Audit Differences

Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as “known” or “judgemental”. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Summary of adjusted differences

There have been a number of amendments which management have agreed to adjust. We highlight the following misstatements greater than our performance materiality of £0.663m which have been corrected by management that were identified during the course of our audit.

• £24.4 million additional pensions deficit in relation to pension liabilities following the receipt of a further actuarial report to take account of the impact arising from changes from McCloud/Sargeant judgement, guaranteed minimum pensions and pension assets. The sum affects the total comprehensive income and expenditure and balance sheet reported for 2018-19.

• Note 8: Expenditure and Income Analysis by Nature for the current year and prior year to show the gross balances for Employee Benefits Expenses and Government Grants, Depreciation, Amortisation and Impairment and Income to accounting for Gain on Disposal gross to bring the Note in line with the Income and Expenditure figures per the Comprehensive Income and Expenditure Statement (CIES).

• Related to the amendment above, the CIES has also been amended for the current and prior periods to reclassify income and expenditure over the service areas.

In respect of disclosure notes, the Authority has amended:

• Note 15: Property, Plant and Equipment to bring the disclosure note in line with the Authority’s fixed asset register; and

• Note 32: Officers’ Remuneration: to record an employee within banding 110,000 - 114,999 and to separate out individuals rather than posts and to name staff earning over £150,000 to comply with the CIPFA Code of Accounting Practice employee.

There were also some minor disclosures which have been adjusted by management.

Audit Differences

Summary of unadjusted differences

Valuation of Property, Plant and Equipment (PPE):
As reported in section 2 above, judgemental differences were noted in the valuation of PPE. The new Newark Fire Station is overvalued by a maximum of £600k. The assets not formally revalued in the 2018/19 financial year are undervalued by a maximum of £1.6m. The impact of these errors is to (net) understate PPE and the value of the revaluation reserve. There is no impact on the CIES.

Pension Top-Up Grant:
We discovered that the pension top-up grant stated in the CIES (note 14) did not agree to the information provided by the home office (nor the pension fund memorandum account). Grant income should be increased by £183k with a corresponding increase to employer contribution expenditure. No impact on the reported outturn for the year.

Misstatements of income/expenditure:
In our sample testing of other expenditure, we identified an error relating to a transaction recorded in the 2018/19 financial year where part of the expenditure related to 2019/20 but had not been recorded as a prepayment. Expenditure was therefore overstated. We extrapolated this error over the population subject to sample testing and concluded that in our judgement other expenditure is overstated by £250k.

In our sample testing of fees, charges and other service income, we noted income of £69k relating to the Prince's Trust which had been recorded in the wrong year, and related to 2017/18. The impact of this error is to increase 2018/19 revenue and decrease the opening general fund balance.

Revaluation increases recognised in comprehensive income and expenditure:
As reported in section 2 above, our testing concluded that there was insufficient evidence that losses taken through the CIES in previous years were sufficient to cover the full amount being credited in 2018/19 and that the CIES is overstated by £191k.

Reclassification Misstatements:
As reported in section 2 above, the land valued at £250k relating to the old Newark fire station site is misclassified as 'land and buildings' and should be reclassified as a 'surplus asset'.

Short term liabilities include £117k of 2017/18 costs still payable with respect to the ESN Grant and Tri-Service travel costs. This should be reclassified to long term liabilities.

The unadjusted differences set out above do not lead to a modification of our audit opinion in respect of the 2018/19 financial statements as we are comfortable that the cumulative effect on the CIES, the general fund and each affected financial statement line item is not material. However, we will consider the impact of these misstatements (and those which management has adjusted) in our 2019/20 audit which will impact our risk assessments and testing thresholds.

Audit Differences

Summary of unadjusted differences

Uncorrected misstatements in the statement of cash flows

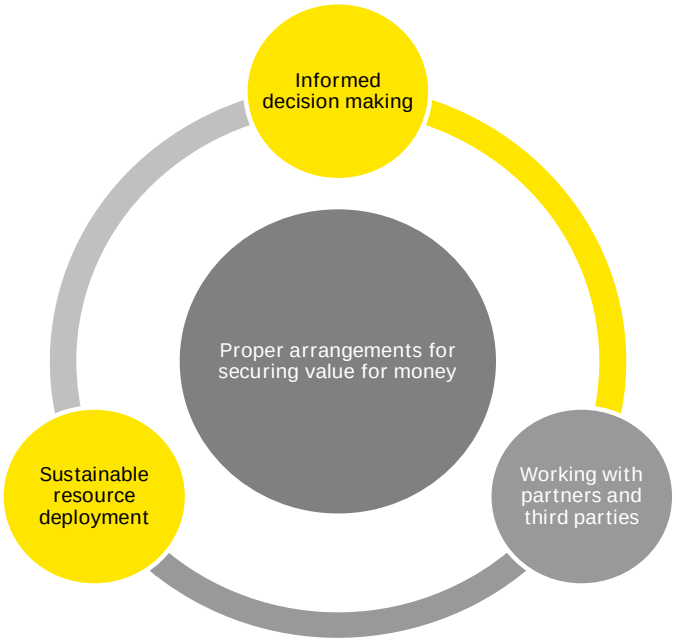
There are no further uncorrected errors in the statement of cash flows.

Uncorrected disclosure misstatements

There are no uncorrected disclosure note misstatements.

05 Value for Money Risks

Value for Money



Background

We are required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. This is known as our value for money conclusion.

For 2018/19 this is based on the overall evaluation criterion:

"In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people"

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.

In considering your proper arrangements, we will draw on the requirements of the CIPFA/SOLACE framework for local government to ensure that our assessment is made against a framework that you are already required to have in place and to report on through documents such as your annual governance statement.

Overall conclusion

At the planning stage of the audit we did not identify a significant risk as regards financial resilience around these arrangements. Since undertaking our planning procedures we increased the scope of our VFM Conclusion work to include three significant risks around taking informed decisions and working with partners and third parties, concerning the Authority's arrangements for:

- Addressing the budget gap of £1.576 million by 31 March 2022;
- The governance and decision making processes concerning Joint Fire Control Centre with Derbyshire Fire and Rescue Authority located at Ascot Drive, Derby; and
- The governance and decision making processes concerning Joint Police and Fire Headquarters with the Police and Crime Commissioner for Nottinghamshire.

We have undertaken appropriate procedures and concluded that we have no matters to include in the auditor's report about your arrangements to secure economy efficiency and effectiveness in your use of resources and anticipate issuing an unmodified opinion.

Our findings are in the tables below.

Value for Money Risks

We are only required to determine whether there are any risks that we consider significant within the Code of Audit Practice, where risk is defined as:

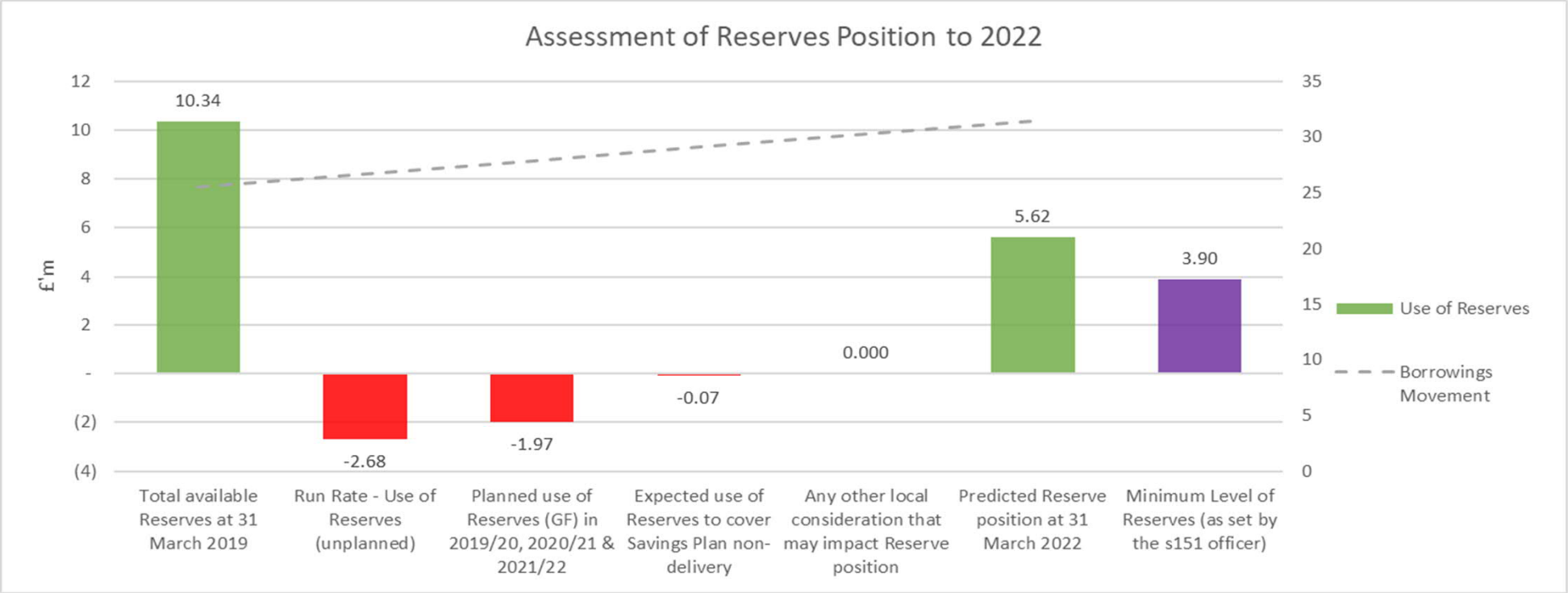
"A matter is significant if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public"

Our risk assessment supports the planning of enough work to deliver a safe conclusion on your arrangements to secure value for money, and enables us to determine the nature and extent of any further work needed. If we do not identify a significant risk we do not need to carry out further work.

The table below presents the findings of our work in response to the risks areas in our Audit Planning Report.

What is the significant value for money risk?	What arrangements did the risk affect?	What are our findings?
Achievement of Savings Needed over the Medium Term In common with other Fire and Rescue services, the Authority is facing significant financial pressures in the medium term. Review of the updated MTFS in February 2019, shows that the organisation has identified of cumulative gross budget deficits across 2019/20, 2020/21 and 2021/22, of £1.576 million. The deficits are predicated to increases in Council Tax precept of 2.95% and 1.95% in future years. The MTFS indicates that action is being taken to identify plans to mitigate the risk.	Sustainable resource deployment	We consider the process for setting the Authority's budget is sound. We concluded that the MTFP identifies the key assumptions expected to underpin the 2019/20 budget. Management use scenario planning effectively to provide guidance to the Authority to make decisions on the level of precept to set. However, for both 2017/18 and 2018/19, the Authority reported overspends against budget of £1.166 and £0.488 million respectively. The Authority balanced the budgets through use of £1.595 million and £1.780 million General and Earmarked Reserves. The February 2019 Medium Term Financial Plan anticipated the use of £1.240 million General Fund Reserves to fund the 2019/20 budget. The Plan highlighted a budget gap of £1.576 million by 31 March 2022 and indicated if savings were not made General Reserves would fall to £2.693 million and therefore below the minimum level of £3.9 million. Subsequently, the May 2019 budget monitoring report indicated that a favourable Non-Domestic Rates grant settlement, spend on day crewing no longer required and the accounting for joint control room redundancy costs in 2018/19 reduced the need to draw on General and Earmarked Funds to £0.232 million in 2019/20. We have tested the sensitivity of reserves by taking into account the Authority's history of under and overspends, past savings achieved, planned use of reserves in 2019/20 to 2021/22 and dependency on innovative income streams. Using the May 2019 forecast and assuming all earmarked reserves could be used to support the budget, the Authority would just have sufficient reserves to cover the budget gap above its minimum level of set at £3.9 million. We therefore do not propose to qualify the value for money conclusion. However, the Authority needs to be vigilant in taking action to reduce the overspends of the last two years, recognising that the recent extensive use of reserves to support the budget is unsustainable and to develop robust plans to achieve ongoing savings to address the budget gap We note that Her Majesty's Inspectorate of Constabulary and Fire and Rescue Authorities rated the Authority as requiring improvement across areas covering Effectiveness, Efficiency and People. The inspectorate also noted that he Authority should ensure it has sufficiently robust plans in place which fully consider the medium-term financial challenges beyond 2020 so it can prepare to secure the right level of savings.

Value for Money



Our Assessment

In our assessment we considered:

- The Authority's level of savings requirement to balance the General Fund budget in each of the next 3 years of £1.576 million;
- The Authority's history of over or under spending on the General Fund budget, and the impact this trajectory would have on the use of General Fund reserves;
- The Authority's planned use of reserves to support the General Fund budget in each of the next 3 years;
- The Authority's history of delivering savings plans and therefore the potential to call upon reserves to make up a shortfall in future savings plan delivery; and
- Reliance upon any income other than grant income which has not been confirmed post 2018/19, upon which the Authority is reliant.

The graph shows borrowing increasing over the next three years.

As a result of our assessment, we note that the Authority's 's calculated General Fund reserve balance at the 31 March 2022 of £5.62 million would remain just above the Authority's approved minimum level of £3.9 million, should the Authority not be able to deliver the savings to bridge the budget gap of £1.576 million.

Value for Money Risks

We are only required to determine whether there are any risks that we consider significant within the Code of Audit Practice, where risk is defined as:

"A matter is significant if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public"

Our risk assessment supports the planning of enough work to deliver a safe conclusion on your arrangements to secure value for money, and enables us to determine the nature and extent of any further work needed. If we do not identify a significant risk we do not need to carry out further work.

We present below the findings of our work in response to additional risks identified since our audit planning report.

What is the significant value for money risk?	What arrangements did the risk affect?	What are our findings?
In July 2018 Members approved the establishment of a Strategic Collaboration Board with Derbyshire Fire & Rescue Service. One of the initial workstreams identified was a potential Joint Fire Control with Nottinghamshire located at Ascot Drive, Derby. The overall cost of 14 redundancies is £0.7 million to the Fie Authority. In progressing significant projects there are risks around arrangement for governance and coming to an informed decision.	Take informed decisions and Work with partners and other third parties	Our audit work has focussed on: The decision-making arrangements surrounding the implementation of the joint control room. Our review of the arrangements found that to deliver the implementation of the joint control room both Fire Authorities have: • Held informal and formal meetings involving finance, human resources and legal representation to determine the best option and scoped a road map; • Sought and received written legal advice to consider: o The process for assigning staff roles from the two control rooms; o The governance structures might be appropriate for the operation of the Joint Control including powers to establish joint control, and governance options available; and o The Agreement for Services to formalise joint decision-making rights; • Developed a Business case for Fire Authority approval for the new control centre detailing the imperatives for the change, governance structures and the reasonableness and role matching, criteria, supported by detailed employment policies, to effect the move; • Detailed the financial consequences of the move within the Business Plan; • Managed the process through the Joint Collaboration Board of the two Authorities; • Reported progress to Members of the Authority. We concluded therefore that there was evidence of reasonable arrangements to inform the decision-making process.

Value for Money Risks

We are only required to determine whether there are any risks that we consider significant within the Code of Audit Practice, where risk is defined as:

"A matter is significant if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public"

Our risk assessment supports the planning of enough work to deliver a safe conclusion on your arrangements to secure value for money, and enables us to determine the nature and extent of any further work needed. If we do not identify a significant risk we do not need to carry out further work.

We present below the findings of our work in response to additional risks identified since our audit planning report.

What is the significant value for money risk?	What arrangements did the risk affect?	What are our findings?

In September 2018 and February 2019 , Members approved the development of a business case for a joint Fire and Police Headquarters at Sherwood Lodge, Arnold through a Limited Liability Partnership (LLP) for a joint headquarters site.
 	
The total estimated costs for the redevelopment of Sherwood Lodge is circa £18.5m, of which the Authority is to contribute £4 million to be offset by the sale of the current Fire Headquarters.
 	
In progressing significant projects there are risks around arrangement for governance and coming to an informed decision
	Take informed decisions and Work with partners and other third parties	Our audit work has focussed on the decision-making arrangements surrounding the decisions to redevelop the site at Sherwood Lodge and progress to the delivery model through an LLP. Our review of the arrangements found that to deliver the implementation of the joint control room the Authority has:
		• Sought specialist financial and legal advice to consider:
		  • Five options for the future Fire Headquarters including remaining at the current site, a new build or redevelopment of a proposed site located at Sherwood Lodge;
		  • The governance structures which may be appropriate for the delivery of the joint Headquarters covering a contractual joint venture, a special purpose vehicles either for a company limited by shares and/or guarantee or through an LLP; and
		  • Taxation and legal consequences of the preferred option for an LLP.
		• Set out reasons for not proceeding with the new build as advised but to progress a re-development of the site;
		• Reviewed the financial consequences of the move;
		• Managed the process through the Strategic Collaboration Board supported by the Collaborative Delivery Board and working group comprising Members, Chief Officers and officers of both organisations;
		• Reported progress to Members of the Authority.
		
		We concluded therefore that there was evidence of reasonable arrangements to inform the decision-making process. However, we note that the February 2019 report to Authority Members:
		• reported that the Authority's legal advisors had recommended the LLP as the most appropriate legal framework for collaboration between the Authority and PCC but the basis and detail of decision was not set out for Members to consider; and
		• Asked Members to approve the move to the LLP. However, an LLP involves complex legal and taxation considerations of which Members need to be aware before final decisions are taken.
		
		We recommend that Authority Members in 2019/20 consider a summary of the final taxation and legal guidance received and the reasons for not pursuing other governance delivery options before pursuing the LLP model.

06 Other reporting issues

Other reporting issues

Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the 2018/19 Statement of Accounts with the audited financial statements. We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance.

Financial information in the 2018/19 Statement of Accounts and published with the financial statements was consistent with the audited financial statements. We have reviewed the Annual Governance Statement (AGS) and can confirm it is consistent with other information from our audit of the financial statements.

We requested amendments to ensure that Statement complies with the Code of Practice by including that period the AGS covers, reference to the responsibility for ensuring there is a sound system of governance, inclusion of limited opinion Internal Audit reports covering the Prince's Trust and Redkite Training, specifying which are the significant governance issues that the Authority faces with an action plan to address and a conclusion.

For 2019/20 the Authority is to update the Annual Government statement so that it addresses the seven principles of within Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016) and enhance the Head of internal Audit opinion by including reference to internal control, governance and risk management as required by the Internal Audit Standards.

As regards the Narrative Report, we made suggestions to the Authority for improvements to the context to the Report. The Authority declined to amend the Report but has noted the comment for future years. The authority may wish to consider also highlighting its key performance indicators by which it measures itself and giving an indication of the extent it is meeting its performance targets.

Whole of Government Accounts

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

As the Authority falls below the £500 million threshold for review as per the NAO's group instructions, we are not reporting any matters to the National Audit Office (NAO) regarding the Whole of Government Accounts submission.

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. "a report in the public interest"). We did not identify any issues which required us to issue a report in the public interest.

We also have a duty to make written recommendations to the Authority, copied to the Secretary of State, and take action in accordance with our responsibilities under the Local Audit and Accountability Act 2014. We did not identify any issues.

Other reporting issues

Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Authority's financial reporting process. They include the following:

- Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;
- Any significant difficulties encountered during the audit;
- Any significant matters arising from the audit that were discussed with management;
- Written representations we have requested;
- Expected modifications to the audit report;
- Any other matters significant to overseeing the financial reporting process;
- Findings and issues around the opening balance on initial audits (if applicable);
- Related parties;
- External confirmations;
- Going concern;
- Consideration of laws and regulations; and
- Group audits

We have no other matters to report:

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07 Assessment of Control Environment

Assessment of Control Environment

Financial controls

It is the responsibility of the Authority to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice.

Our responsibility as your auditor is to consider whether the Authority has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. As we have adopted a fully substantive approach, we have therefore not tested the operation of controls.

Although our audit was not designed to express an opinion on the effectiveness of internal control we are required to communicate to you significant deficiencies in internal control.

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware. However, wish to report the following areas where improvements could be made to the operation or design of controls.

Quality Control Review of the Financial Statements

The Authority would benefit from more rigorous quality control of the financial statements and supporting working papers before publication for 31 May 2019 deadline. The finance team is relatively small, each with defined functions which limits sharing of knowledge, responsibilities and oversight. The impact for the Authority is that that if a member of the team is absent, the extent to which others can progress that individual's area of responsibility is limited. The impact for the audit is that audit queries can only be responded to by certain individuals meaning if they are absent, then work is slow to progress.

Property, Plant and Equipment Register

The Property, Plant and Equipment Register did not agree to the financial statements at the Gross Book Value and Depreciation level. This poses a risk that the financial statements contain assets which are not in operational use by the Authority. The Authority has used a consultant to review the Register and appropriate audit trails for 2018/19. However, the Authority needs to check the integrity of the Register to ensure that it supports the financial statements going forward, and ensure that it has a thorough understanding of how the Fixed Asset system posts entries to the ledgers.

Lender Option, Borrow Option (LOBO)

As part of our audit we determine whether the Authority has considered the repayment terms within LOBOs. The LOBO is material to the Authority's financial statements at £8.6 million, as valued using PWLB premature repayment rates. However, the Authority did not have copies of the key agreement to evidence break clauses and potential interest rate rises and the authority had to contact the investment house to provide this. The Authority should ensure that all entries within the financial statements are supported by the key agreements and formal documents.

08 Data Analytics

Data analytics

Analytics Driven Audit

Data analytics

We used our data analysers to enable us to capture entire populations of your financial data. These analysers:

- Help identify specific exceptions and anomalies which can then be the focus of our substantive audit tests; and
- Give greater likelihood of identifying errors than traditional, random sampling techniques.

In 2018/19, our use of these analysers in the authority's audit included testing journal entries, to identify and focus our testing on those entries we deem to have the highest inherent risk to the audit.

We capture the data through our formal data requests and the data transfer takes place on a secured EY website. These are in line with our EY data protection policies which are designed to protect the confidentiality, integrity and availability of business and personal information.

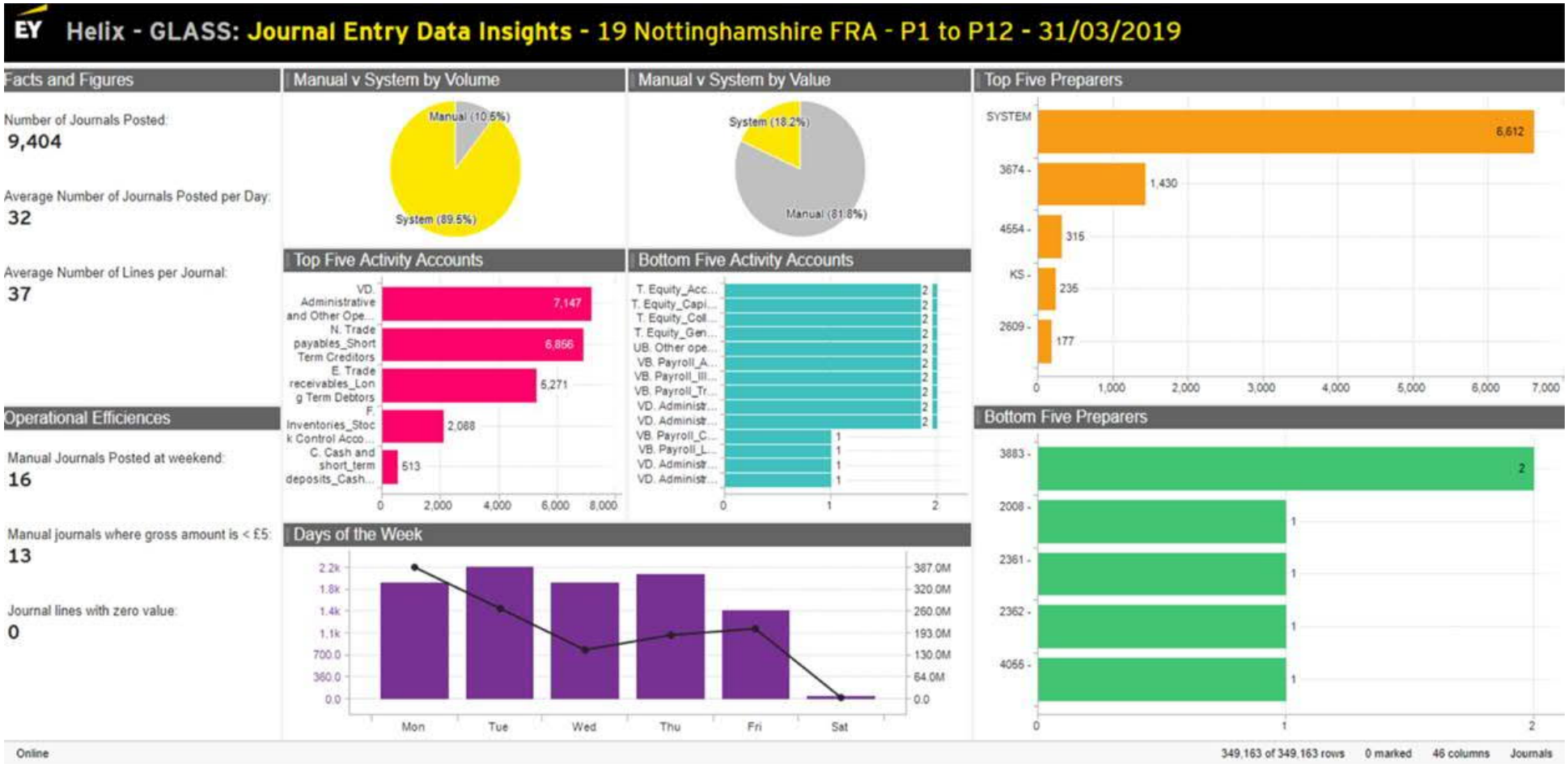
Journal Entry Analysis
We obtain downloads of all financial ledger transactions posted in the year. We perform completeness analysis over the data, reconciling the sum of transactions to the movement in the trial balances and financial statements to ensure we have captured all data. Our analysers then review and sort transactions, allowing us to more effectively identify and test journals that we consider to be higher risk, as identified in our audit planning report.

Payroll Analysis
We also use our analysers in our payroll testing. We obtain all payroll transactions posted in the year from the payroll system and perform completeness analysis over the data, including reconciling the total amount to the General Ledger trial balance. We then analyse the data against a number of specifically designed procedures. These include analysis of payroll costs by month to identify any variances from established expectations, as well as more detailed transactional interrogation.

Journal Entry Data Insights

The graphic outlined below summarises the journal population for 2018/19. We review journals by certain risk based criteria to focus on higher risk transactions, such as journals posted manually by management, those posted around the year-end, those with unusual debit and credit relationships, and those posted by individuals we would not expect to be entering transactions.

The purpose of this approach is to provide a more effective, risk focused approach to auditing journal entries, minimising the burden of compliance on management by minimising randomly selected samples.



Journal Entry Testing

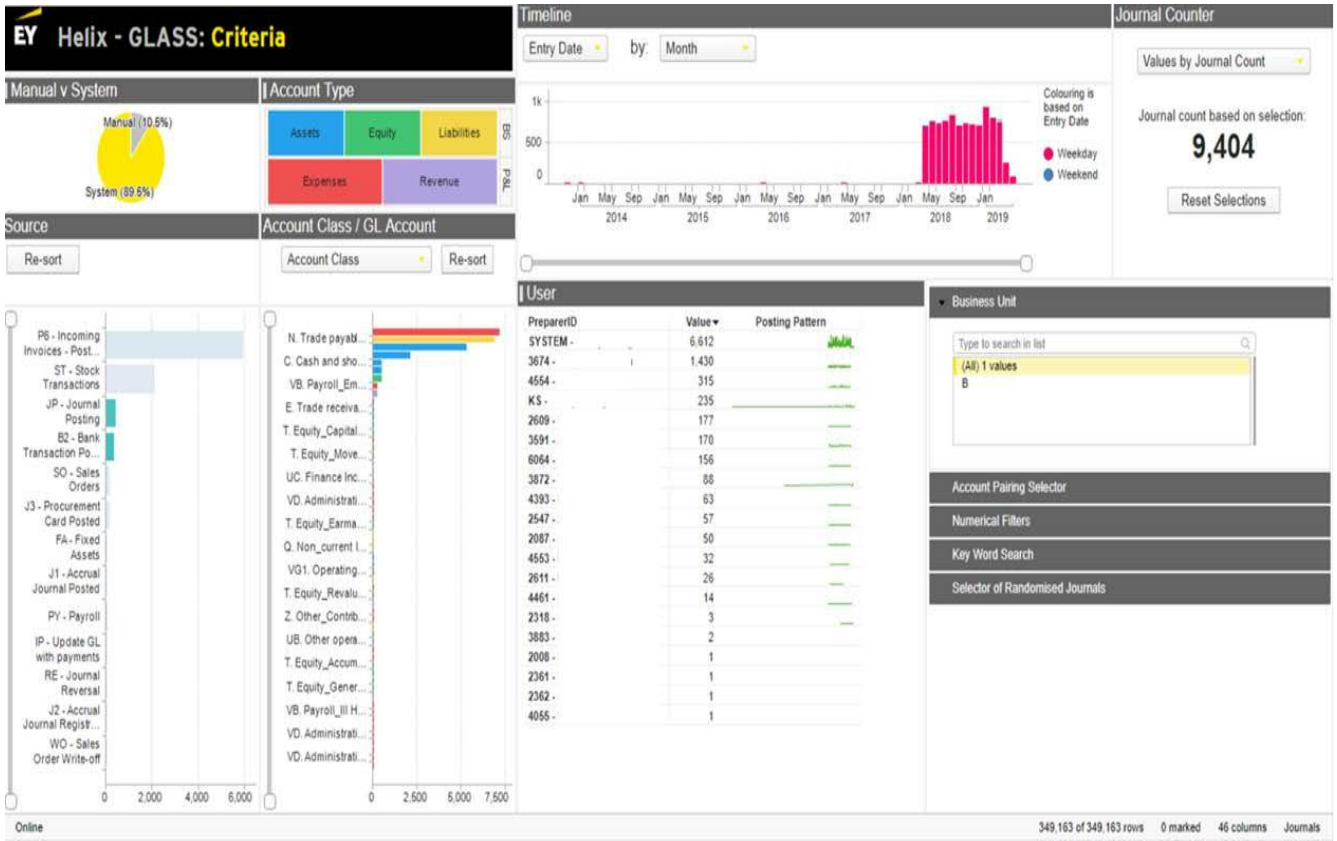
What is the risk?

In line with ISA 240 we are required to test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

What judgements are we focused on?

Using our analysers we are able to take a risk based approach to identify journals with a higher risk of management override, as outlined in our audit planning report.

Journal entry data criteria – 31 March 2019



What did we do?

We obtained general ledger journal data for the period and have used our analysers to identify characteristics typically associated with inappropriate journal entries or adjustments, and journals entries that are subject to a higher risk of management override.

We then performed tests on the journals identified to determine if they were appropriate and reasonable.

What are our conclusions?

We isolated a sub set of journals for further investigation and obtained supporting evidence to verify the posting of these transactions and concluded that they were appropriately stated.

09 Independence

Confirmation

We confirm that there are no changes in our assessment of independence since our confirmation in our audit planning report tabled at the 29 March 2019 Finance and Resources Committee meeting.

We complied with the FRC Ethical Standards and the requirements of the PSAA's Terms of Appointment. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning of regulatory and professional requirements.

We consider that our independence in this context is a matter which you should review, as well as us. It is important that Nottinghamshire Fire and Rescue Authority consider the facts known to you and come to a view.

If you would like to discuss any matters concerning our independence, we will be pleased to do this at the meeting of the Nottinghamshire Fire and Rescue Authority on 20 December 2019

Relationships, services and related threats and safeguards

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and your Authority, and its directors and senior management and its affiliates, including all services provided by us and our network to your Authority, its directors and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.
There are no relationships from 1 April 2018 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Services provided by Ernst & Young

Below includes a summary of the fees that you have paid to us in the year ended 31 March 2019 in line with the disclosures set out in FRC Ethical Standard and in statute.

We confirm that none of the services listed below has been provided on a contingent fee basis.

As at the date of this report, there are no future services which have been contracted and no written proposal to provide non-audit services has been submitted.

Fee analysis

As part of our reporting on our independence, we set out below a summary of the fees paid for the year ended 31 March 2019.

We confirm that we have not undertaken non-audit work outside the NAO Code requirements

	Final Fee 2018/19	Planned Fee 2018/19	Scale Fee 2018/19
	£	£	£
Total Audit Fee – Code work	To be confirmed*	23,909	23,909

*The final fee for 2018/19 will be subject to additional fees for work carried out in response to significant risks and change of scope, specifically the work identified in this report, covering:

- The new fraud and significant risks concerning the existence of Property, Plant and Equipment and capitalisation of revenue expenditure;
- Additional pensions procedures as a result of the McCloud and GMP judgements, as well as the actual asset position compared with the estimated position and the engagement of EY Pensions;
- The engagement of EY Real Estates to assess the calculation of assets and challenge the Authority's valuer in respect of the valuation of land;
- The VFM Conclusion significant risks covering financial resilience, the joint control room with Nottinghamshire Fire and Rescue Authority and the proposed joint Headquarters with the PCC for Nottinghamshire; and
- The additional audit work resulting from weaknesses in control environment arising from the lack of a quality review of the financial statements before publication and in particular concerning Property, Plant and Equipment and the prior period adjustments required to the expenditure and income analyses.

We will discuss these fees with management in the first instance, before agreeing them with you and requesting approval from Public Sector Audit Appointments (PSAA).

10 Appendices

Required communications with the Audit Committee

There are certain communications that we must provide to the Audit Committees of UK clients. We have detailed these here together with a reference of when and where they were covered:

		Our Reporting to you
Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the Nottinghamshire Fire and Rescue Authority of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Audit Planning Report – 29 March 2019
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.	Audit Planning Report – 29 March 2019
Significant findings from the audit	• 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 • Other matters if any, significant to the oversight of the financial reporting process • Findings and issues regarding the opening balance on initial	Audit Results Report – 27 September 2019 and 5 December 2019

Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Going concern	Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: • Whether the events or conditions constitute a material uncertainty • Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements • The adequacy of related disclosures in the financial statements	No conditions or events were identified, either individually or together to raise any doubt about Nottinghamshire Fire and Rescue Authority's ability to continue for the 12 months from the date of our report.
Misstatements	• Uncorrected misstatements and their effect on our audit opinion • The effect of uncorrected misstatements related to prior periods • A request that any uncorrected misstatement be corrected • Material misstatements corrected by management	Audit Results Report – 27 September 2019 and 5 December 2019
Subsequent events	• Enquiry of the audit committee where appropriate regarding whether any subsequent events have occurred that might affect the financial statements.	Audit Results Report – 27 September 2019 and 5 December 2019
Fraud	• Enquiries of the Nottinghamshire Fire and Rescue Authority to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the Authority • Any fraud that we have identified or information we have obtained that indicates that a fraud may exist • Unless all of those charged with governance are involved in managing the Authority, any identified or suspected fraud involving: a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements. • The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected • Any other matters related to fraud, relevant to the Nottinghamshire Fire and Rescue Authority responsibility.	Audit Results Report – 27 September 2019 and 5 December 2019

Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	Significant matters arising during the audit in connection with the Authority's related parties including, when applicable: • Non-disclosure by management • Inappropriate authorisation and approval of transactions • Disagreement over disclosures • Non-compliance with laws and regulations • Difficulty in identifying the party that ultimately controls the Authority	Audit Results Report – 27 September 2019 and 5 December 2019
Independence	Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence. Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: • The principal threats • Safeguards adopted and their effectiveness • An overall assessment of threats and safeguards • Information about the general policies and process within the firm to maintain objectivity and independence Communications whenever significant judgments are made about threats to objectivity and independence and the appropriateness of safeguards put in place.	Audit Planning Report – 29 March 2019 and Audit Results Report – 27 September 2019 and 5 December 2019

Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
External confirmations	• Management's refusal for us to request confirmations • Inability to obtain relevant and reliable audit evidence from other procedures.	We have received all requested external confirmations.
Consideration of laws and regulations	• Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur	Audit Results Report – 27 September 2019 and 5 December 2019
Significant deficiencies in internal controls identified during the audit	• Significant deficiencies in internal controls identified during the audit.	Audit Results Report – 27 September 2019 and 5 December 2019

Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Written representations	• Written representations we are requesting from management and/or those charged with governance	Audit Results Report – 27 September 2019 and 5 December 2019
Material inconsistencies or misstatements	• Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit Results Report – 27 September 2019 and 5 December 2019
Auditors report	• Any circumstances identified that affect the form and content of our auditor's report	Audit Results Report – 27 September 2019 and 5 December 2019
Fee Reporting	• Breakdown of fee information when the audit planning report is agreed • Breakdown of fee information at the completion of the audit • Any non-audit work	Audit Planning Report – 29 March 2019 and Audit Results Report – 27 September 2019 and 5 December 2019

Appendix B

Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item	Actions to resolve	Responsibility
Preparation of version 3 (final) financial statements	At the date of the release of this report, management are preparing a final version of the financial statements which we anticipate will include amendments to the property, plant & equipment note (note 15) to ensure reconciliation with the fixed asset register, the uplift in asset values for those assets not revalued in year (refer section 2 above) and to ensure that the 2017/18 CIES agrees to the prior year published accounts at the total comprehensive income and expenditure level.	Management
Review of final version of financial statements	Upon receipt of the final statement of accounts, EY to review changes, and check casting / cross-referencing.	EY
Signed management representation letter	At the same time as the final financial statements are approved for issue, we will require a signed management representation letter to be prepared on the Authority's letterhead (a draft is provided within this report).	Management & EY
Subsequent event review	We will perform procedures to ensure that we are aware of all subsequent events up to the date of our audit opinion which are relevant for the 2018/19 financial statements.	EY
Whole of Government Accounts submission	Completion of procedures required by the National Audit Office (NAO) regarding the Whole of Government Accounts submission.	EY

Management representation letter

Draft Management Rep Letter

To be placed on headed letter paper
[Date]
Ernst & Young
400 Capability Green
Luton
Bedfordshire
LU1 3LU

Dear Neil

Nottinghamshire Fire and Rescue Authority - Audit for the year ended 31 March 2019
This letter of representations provided in connection with your audit of the Authority financial statements of Nottinghamshire Fire and Rescue Authority ("the Authority") for the year ended 31 March 2019. We recognise that obtaining representations from us is concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the Authority financial statements give a true and fair view of the financial position of Nottinghamshire Fire and Rescue Authority as of 31 March 2019 and of its financial performance (or operations) and its cash flows for the year then ended in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.

We understand that the purpose of your audit of our Authority financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing, which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

ourselves:

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves.

A. Financial Statements and Financial Records
1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.
2. We acknowledge, as members of management of the Authority, our responsibility for the fair presentation of the Authority financial statements. We believe the Authority financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Authority in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 and are free of material misstatements, including omissions. We have approved the Authority financial statements.
3. The significant accounting policies adopted in the preparation of the Authority financial statements are appropriately described in the Authority financial statements.
4. As members of management of the Authority, we believe that the Authority have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 that are free from material misstatement, whether due to fraud or error.

Management representation letter

Management Rep Letter

5. We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the Authority financial statements taken as a whole. We have not corrected these differences identified and brought to our attention by the auditor because [specify reasons for not correcting misstatement].

B. Non-compliance with law and regulations, including fraud
1. We acknowledge that we are responsible for determining that the Authority's activities are conducted in accordance with laws and regulations and that we are responsible for identifying and addressing any non-compliance with applicable laws and regulations, including fraud.
2. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
3. We have disclosed to you the results of our assessment of the risk that the Authority's financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Authority (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:

- involving financial statements;
- related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Authority's financial statements;
- related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Authority's activities, its ability to continue to operate, or to avoid material penalties;
- involving management, or employees who have significant roles in internal controls, or others; or
- in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions
1. We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. All material transactions have been recorded in the accounting records and are reflected in the Authority financial statements.
3. We have made available to you all minutes of the meetings of the Fire and Rescue Authority and Finance and Resources Committee held through the year to the most recent meeting on the following date: [list date].

Management representation letter

Management Rep Letter

4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Authority's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the year ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the Authority financial statements.
5. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. We have disclosed to you, and the Authority has complied with, all aspects of contractual agreements that could have a material effect on the Authority financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

D. Liabilities and Contingencies
1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the Authority financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

E. Subsequent Events
1.There have been no events subsequent to year end which require adjustment of or disclosure in the Authority financial statements or notes thereto.

F. Other information
1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the Narrative report and Annual Governance statement.
2. We confirm that the content contained within the other information is consistent with the financial statements.

G. Ownership of Assets
1. Except for assets capitalised under finance leases, the Authority has satisfactory title to all assets appearing in the balance sheets, and there are no liens or encumbrances on the Authority's assets, nor has any asset been pledged as collateral. All assets to which the Authority has satisfactory title appear in the balance sheets.
2. All agreements and options to buy back assets previously sold have been properly recorded and adequately disclosed in the Authority financial statements.
3. We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.
4. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts.

H. Reserves
1.We have properly recorded or disclosed in the Authority financial statements the useable and unusable reserves.

I. Contingent Liabilities
We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss.

Management representation letter

Management Rep Letter

We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance.

J. Use of the Work of a Specialist
We agree with the findings of the specialists that we engaged to evaluate the value of property, plant and equipment and the IAS19 actuarial valuations of pension liabilities and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the Authority financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

K. Estimates
Pension Liability and PPE Valuations Estimate
1. We believe that the measurement processes, including related assumptions and models, used to determine the accounting estimate(s) have been consistently applied and are appropriate in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.
2. We confirm that the significant assumptions used in making the estimates appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity.
3. We confirm that the disclosures made in the Authority financial statements with respect to the accounting estimate(s) are complete and made in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.
4. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the Authority financial statements due to subsequent events.

L. Retirement benefits
On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

Yours sincerely

_____
(Treasurer to Nottinghamshire Fire and Rescue Authority)

_____
(Chair of the Nottinghamshire Fire and Rescue Authority)

Schedule of Uncorrected Misstatements

EY | Assurance | Tax | Transactions | Advisory

About EY
EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.
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