

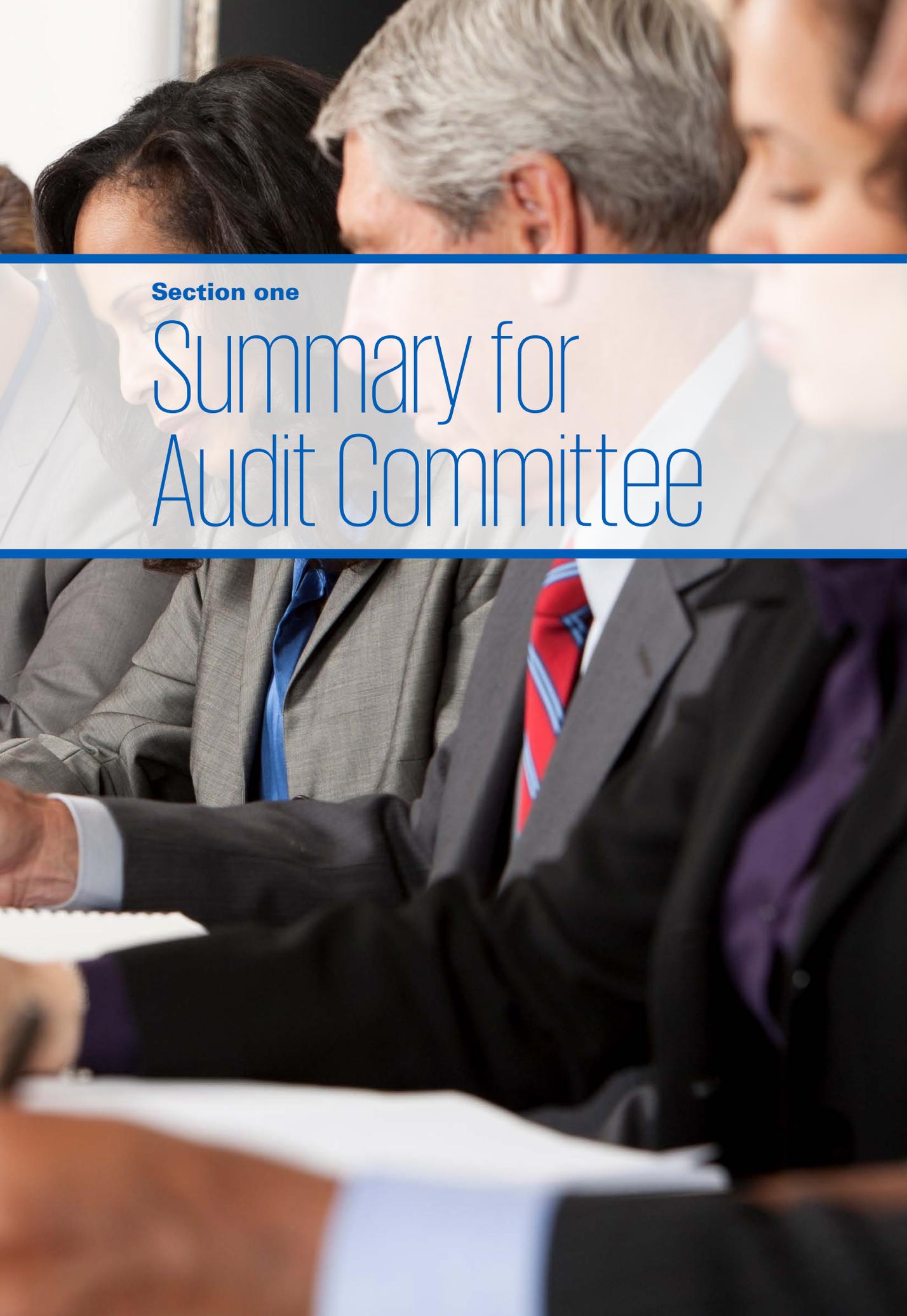


# Annual Audit Letter 2017/18

**West Yorkshire Fire and  
Rescue Authority**

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August 2018

A group of business professionals in a meeting, looking at documents. The image is a close-up, slightly blurred, showing several people in business attire. A woman with dark hair is on the left, looking down. A man with grey hair is in the center, also looking down. Another man with a red and blue striped tie is on the right. They appear to be in a meeting or conference room, looking at papers or a screen. The overall tone is professional and focused.

**Section one**

# Summary for Audit Committee

# Summary for Audit Committee

This Annual Audit Letter summarises the outcome from our audit work at West Yorkshire Fire and Rescue Authority (“the Authority”) in relation to the 2017-18 audit year.

Although it is addressed to Members of the Authority, it is also intended to communicate these key messages to key external stakeholders, including members of the public, and will be placed on the Authority’s website.

## Audit opinion

We issued an unqualified opinion on the Authority’s financial statements on 1 August 2018. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year.

## Financial statements audit

Our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole. Materiality for the Authority’s accounts was set at £1.1 million which equated around 1.8% percent of gross expenditure. We designed our procedures to detect errors in specific accounts at a lower level of precision.

We report to the Audit Committee any misstatements of lesser amounts, other than those that are “clearly trivial”, to the extent that these are identified by our audit work. In the context of the Authority, an individual difference is considered to be clearly trivial if it is less than £0.05 million for the Authority.

We identified one adjusted audit difference with a total value of £1.01 million (see below). This adjustment did not impact the reported deficit on provision of services.

Our audit work was designed to specifically address the following significant risks:

- **Valuation of PPE** – We considered the way in which the Authority gains assurance that the valuation of assets does not differ materially from their last valuation. We found the Authority was able to demonstrate there is no material difference through their annual impairment review of all properties and application of market indices to those assets which have not been subject to any enhancements since their last valuation;
- **Pensions Liabilities** – We have reviewed the processes in place to ensure accuracy of data provided to the Actuaries for both LGPS and FFPS schemes and considered the assumptions used in determining the valuation. Overall we have been able to conclude the data is complete and accurate and the assumptions used by the Actuaries are reasonable with the exception of the estimated investment return for the LGPS pension asset valuation. This required replacement of the estimated investment return with the actual. This has resulted in a material adjustment to the net pension liability of £1.01m. This adjustment had a nil impact on the reported deficit on provision of services; and
- **Faster Close** – The timetable for the production of the financial statements has been significantly advanced with draft accounts having to be prepared by 31 May (2017: 30 June) and the final accounts signed by 31 July (2017: 30 September). We worked with the Authority to understand the steps being taken to meet these deadlines and the impact on our work. We were pleased to report that the Authority met the deadline for submission of the draft accounts. The deadline for the final accounts was missed by one day, due to the Authority awaiting the revised LGPS asset valuation from the actuary.

## Other information accompanying the financial statements

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

## Section one:

# Summary for Audit Committee (cont.)

## Whole of Government Accounts

The Authority prepares a consolidation pack to support the production of Whole of Government Accounts by HM Treasury. We are not required to review your pack in detail as the Authority falls below the threshold where an audit is required. As required by the guidance we have confirmed this with the National Audit Office.

## Value for Money conclusion

We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2017-18 on 1 August 2018. This means we are satisfied that during the year the Authority had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources.

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

## High priority recommendations

We have not raised any high priority recommendations as a result of our 2017-18 work.

## Section one:

# Summary for Audit Committee (cont.)

### Certificate

We issued our certificate on 30 August 2018. The certificate confirms that we have concluded the audit for 2017-18 in accordance with the requirements of the Local Audit & Accountability Act 2014 and the Code of Audit Practice.

### Audit fee

Our fee for 2017-18 was £36,080, excluding VAT (2017: £37,080). Further detail is contained in Appendix 2.

### Exercising of audit powers

We have a duty to consider whether to issue a report in the public interest about something we believe the Authority should consider, or if the public should know about.

We have not identified any matters that would require us to issue a public interest report.



# Appendices



## Appendix 1:

# Summary of reports issued

This appendix summarises the reports we issued since our last Annual Audit Letter. These reports can be accessed via the Audit Committee pages on the Authority's website at [www.westyorksfire.gov.uk](http://www.westyorksfire.gov.uk).

### External Audit Plan

The External Audit Plan set out our approach to the audit of the Authority's financial statements and to support the VFM conclusion.

### Report to Those Charged with Governance

The Report to Those Charged with Governance summarised the results of our audit work for 2017-18 including key issues and recommendations raised as a result of our observations.

We also provided the mandatory declarations required under auditing standards as part of this report.

### Auditor's Report

The Auditor's Report included our audit opinion on the financial statements along with our VFM conclusion and our certificate.

### Annual Audit Letter

This Annual Audit Letter provides a summary of the results of our audit for 2017-18.

2018

January

February

March

April

May

June

July

August

September

October

## Appendix 2:

# Audit fees

This appendix provides information on our final fees for the 2017-18 audit.

### External audit

Our final fee for the 2017-18 audit of the Authority was £36,080, which is in line with the planned fee.

### Other services

We did not charge any additional fees for other services.

*All fees quoted are exclusive of VAT.*



The key contacts in relation to our audit are:

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This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. We draw your attention to the Statement of Responsibilities of auditors and audited bodies, which is available on Public Sector Audit Appointment's website ([www.psa.co.uk](http://www.psa.co.uk)).

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

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

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