Audit Completion Report

Tyne & Wear Fire and Rescue Authority – year ended 31 March 2025

9 February 2026

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Members of the Governance, Risk and Audit Scrutiny Committee

Tyne and Wear Fire and Rescue Authority

Tyne and Wear Fire and Rescue Service Headquarters

Nissan Way

Sunderland

Tyne and Wear

SR5 3QY

9 February 2026

Forvis Mazars
The Corner
Bank Chambers
26 Mosley Street
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Dear Committee Members,

Audit Completion Report – Year ended 31 March 2025

We are pleased to present our Audit Completion Report for Tyne and Wear Fire and Rescue Authority ("the Authority") for the year ended 31 March 2025. The purpose of this report is to summarise our audit findings and conclusions.

This report is intended solely for Members of the Governance, Risk and Audit Scrutiny Committee for the purpose of communicating certain matters that, in our professional judgement, are relevant to your oversight of the financial reporting process. To the fullest extent permitted by law Forvis Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk.

We appreciate the courtesy and co-operation extended to us by Tyne and Wear Fire and Rescue Authority throughout our audit. We would be happy to discuss the contents of this report, or any other matters regarding our audit, with you in more detail.

Yours faithfully

Gavin Barker

Forvis Mazars LLP

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Our reports are prepared in the context of the 'PSAA Statement of Responsibilities of Auditors and of Audited Bodies' and the 'Appointing Person Terms of Appointment' issued by Public Sector Audit Appointments Limited. This document is to be regarded as confidential to Authority. It has been prepared for the sole use of the Governance, Risk and Audit Scrutiny Committee as the appropriate sub-committee charged with governance. We do not accept any liability or responsibility to any other person in respect of the whole or part of its contents.

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01

Executive Summary

Executive summary

Scope

We have been engaged to audit the financial statements of Authority for the year ended 31 March 2025 which are prepared in accordance with the 2024/25 Code of Practice on Local Authority Accounting.

Our audit of the financial statements has been conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit methodology, and in accordance with the Code of Audit Practice.

Audit status

Our audit procedures are now substantially complete for the year ended 31 March 2025.

Please refer to the *'Status of our audit'* section for a list of significant audit matters outstanding at the date of this report. We will provide an update to the Governance, Risk and Audit Scrutiny Committee on completion of those outstanding matters by way of a follow-up letter.

Areas of focus and audit approach, and significant findings

We have not made any changes to our initial risk assessment and planned audit approach that was communicated to the Governance, Risk and Audit Scrutiny Committee in our Audit Strategy Memorandum.

Significant control deficiencies

We did not identify any significant deficiencies in internal control.

Audit misstatements

A summary of the adjusted and unadjusted misstatements above our reporting threshold that we have identified to date is set out in the *'Summary of misstatements'* section.

Audit opinion

At the time of issuing this report and subject to the satisfactory conclusion of our remaining audit work, we anticipate issuing an unqualified opinion, without modification, as set out in Appendix C.

Value for Money

We anticipate having no significant weaknesses in arrangements to report in relation to the arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources. Further details have been provided in the *'Value for Money'* section of this report.

Wider reporting powers

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Authority and to consider any objection made to the accounts. We have not received any questions or objections.

Reporting to the group auditor

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

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Executive summary

Qualitative aspects of Authority's accounting practices

We have reviewed the Authority's accounting policies and disclosures and conclude that they comply with the 2024/25 Code of Practice on Local Authority Accounting, appropriately tailored to the Authority's circumstances. This is with the exception of matters which still remain outstanding in relation to the implementation of IFRS 16 Leases. The status of this work is set out in the next section of this report.

Draft accounts were received from the Authority in line with the statutory deadline and were of a good quality, with the exception of missing IFRS 16 Leases disclosures which were not made by the Authority in its submission of the draft Statement of Accounts.

Significant matters discussed with management

During our audit, we communicated the following significant matters to management:

IFRS 16 Leases

In 2023/24, we discussed management's readiness for the implementation of IFRS 16 Leases in 2024/25. We understood that the Authority was yet to undertake work to quantify the impact this would have on the Authority's financial statements, which also impacts on the Authority's Private Finance Initiatives (PFI) arrangements. IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4, and the Authority was to adopt the new standard for the first time in the 2024/25 financial year.

In April 2024, we issued our Audit Strategy Memorandum, where we raised a significant risk to the audit on the Implementation of IFRS 16. We set out the risk description and planned audit response.

The Authority did not make the required disclosures and accounting adjustments in preparation of its draft submitted statement of accounts. Subsequent to this, it took a number of months to work through what was required to be disclosed, as well as time spent in producing the required working papers and updated disclosures to support our audit work. As a result of this, at this stage, our work is still ongoing, the findings of which will be reported on in our follow up letter to Members of the Governance, Risk and Audit Scrutiny Committee .

Significant difficulties during the audit

We have not encountered any significant difficulties and we have had the full co-operation of management.

Other matters of significance

We encountered no significant difficulties during our audit and had no significant disagreements with management. There was effective co-operation and communication between Forvis Mazars, management, and the Governance, Risk and Audit Scrutiny Committee during our audit, and all requested information and explanations were provided to us.

Other matters we are required by ISA (UK) 260 *Communication with Those Charged with Governance* to communicate to you have been set out in Appendix D.

02

Status of the audit

Status of our audit

Our audit work is substantially complete and except for the matters set out in section '*Executive Summary*' of this report there are currently no matters of which we are aware that would require modification of our audit opinion, subject to the satisfactory resolution of the outstanding matters set out below.

IFRS 16 Leases

Our work is still ongoing. We need to obtain assurance over the accuracy and completeness of disclosures, as well as the method adopted. This affects a number of notes across the statement of accounts.

Journals

We are finalising our work on journals completeness where some differences were found and queries raised.

Disclosures

There are a number of disclosures that need to be amended in the final version of the accounts which will be subject to clearance once we have received the final accounts.

Completion procedures

Completion procedures will continue up to the point where we receive the final signed set of financial statements and the signed letter of representation from management. These procedures include ongoing completion and review of our audit file and considering any events after the balance sheet date up to the point that we issue our audit opinion.

Value for money arrangements

We have completed our work, but we will continue to assess arrangements up to the point of issuing our audit opinion.

Status

●	Likely to result in a material adjustment or a significant change to disclosures in the financial statements.
●	Potential to result in a material adjustment or a significant change to disclosures in the financial statements.
●	Not considered likely to result in a material adjustment or a change to disclosures in the financial statements.
●	Work on value for money arrangements

03

Audit approach and risk summary

Audit approach and risk summary

Changes to our audit approach

There have been no changes to the audit approach we communicated in our Audit Strategy Memorandum, dated 3 September 2025.

Materiality

Our provisional materiality at the planning stage of our audit was set at £1,511k using a benchmark of 2% of gross operating expenditure as per the Audit Strategy Memorandum.

There have been no changes to the materiality levels we communicated in the Audit Strategy Memorandum.

Audit approach and risk summary

	Audit risk/ key area of judgement	Fraud risk	Judgement	Error	Substantive audit procedures	Tests of controls	Misstatement identified	Control recommendations	Conclusion	Page ref to finding
Significant risks	Management override of controls	●	●	●	●		○	○	Risk satisfactorily addressed. At the date of this report, we have not identified any significant issues to report and we are finalising our work on journals.	13
	Pensions valuation	○	●	●	●		●	○	Our work has been completed and we have obtained the required assurances. See section 8 for the noted immaterial misstatements identified.	14
	Valuation of property, plant and equipment	○	●	●	●		●	●	Our work has been completed and we have obtained the required assurances. See section 8 for the noted immaterial misstatements identified.	15
	Implementation of IFRS 16 Leases	○	●	●	●		●	●	Our work is still in progress, findings will be reported in the follow up letter.	16

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Significant findings

Significant findings

The significant findings from our audit include our conclusions regarding the significant risks we identified and other key areas of judgement, which are set out in this section.

Significant risks

Management override of controls

Description of the risk

In all entities, management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.

How we addressed this risk

We addressed this risk through performing audit work over:

- Accounting estimates impacting amounts included in the financial statements;
- Consideration of identified significant transactions outside the normal course of business; and
- Journal entries recorded in the general ledger and other adjustments made in preparation of the financial statements.

Audit conclusion

- To date, there are no matters to be reported, and we have gained sufficient assurance over this area. Our work over journals completeness is still ongoing.

Significant findings

The significant findings from our audit include our conclusions regarding the significant risks we identified and other key areas of judgement, which are set out in this section.

Significant risks

Pensions valuation

Description of the risk

The Authority has two pension schemes, the Firefighters' pension scheme and the Local Government Pension Scheme.

The financial statements contain material pension entries in respect of retirement benefits. The calculation of these pension figures can be subject to significant volatility and includes estimates based upon a complex interaction of actuarial assumptions. This results in an increased risk of material misstatement.

How we addressed this risk

In relation to the valuation of the Authority's pension schemes we have:

- Critically assessed the competency, objectivity and independence of the Tyne and Wear Pension Fund's Actuary, Aon Hewitt, and the Firefighters Pension Scheme Actuary, the Government Actuary Department (GAD);
- Liaised with the auditors of the Tyne and Wear Pension Fund to obtain confirmation that the controls are designed and implemented appropriately. This included the processes and controls in place to ensure data provided to the Actuary by the Pension Fund for the purposes of the IAS19 valuation was complete and accurate;
- Reviewed the appropriateness of the Pension Asset and Liability valuation methodologies applied by the Pension Fund Actuaries, and the key assumptions included within the valuation. This included comparing them to expected ranges, utilising information provided by PWC, the consulting actuary engaged by the National Audit Office;
- Agreed the data in the IAS 19 valuation reports provided by the Funds' Actuaries for accounting purposes to the pension accounting entries and disclosures in the Authority's financial statements; and
- Ensured all required disclosures are reflected in the accounts and relevant notes.

Audit conclusion

We have noted an unadjusted misstatement in section 6. There are no other issues to draw to Members' attention.

Significant findings

The significant findings from our audit include our conclusions regarding the significant risks we identified and other key areas of judgement, which are set out in this section.

Significant risks

Valuation of property, plant and equipment

Description of the risk

The financial statements contain material entries on the balance sheet as well as material disclosure notes in relation to the Authority's holding of Property, Plant and Equipment (PPE).

The Authority employs a valuation expert to provide information on valuations, however, there remains a high degree of estimation uncertainty associated with the revaluations of PPE due to the significant judgements and number of variables involved.

How we addressed this risk

We evaluated the design and implementation of any controls which mitigated the risk. This included liaising with management to update our understanding on the approach taken by the Authority in its valuation of land and buildings. We completed the following work:

- Assessed the scope and terms of engagement with the Valuer;
- Assessed the competence, skills and objectivity of the Valuer;
- Assessed how management used the Valuer's report to value land and buildings included in the financial statements;
- Tested the accuracy of the data used in valuations;
- Challenged the Authority's and Valuer's assumptions and judgements applied in the valuations;
- Reviewed the valuation methodology used, including the appropriateness of the valuation basis;
- Considered the reasonableness of the valuation by comparing the valuation output with market intelligence; and
- Ensured all required disclosures are reflected in the accounts and relevant notes.

Audit conclusion

We have completed our work and there are no material issues to draw to Members' attention. An adjusted and an unadjusted misstatement are reported in Section 6.

Significant findings

The significant findings from our audit include our conclusions regarding the significant risks we identified and other key areas of judgement, which are set out in this section.

Significant risks

Implementation of IFRS 16 Leases

Description of the risk

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4, and the Authority will be adopting the new standard for the first year in 2024/25. The changes to the standard also have an impact on the accounting for the Private Finance Initiative (PFI) arrangements which the Authority has in place.

We discussed management's readiness for the implementation of IFRS 16 Leases in 2023/24, at which stage it only affected narrative disclosures. We understand that the Authority is still undertaking work to quantify the impact on the Authority's financial statements to ensure accuracy and completeness of the overall balance, which we expect will be material. The potential impact is yet to be estimated to ensure any arrangements in scope are adequately accounted for in 2024/25.

This is a complex area which will require management judgement, and for any property assets which fall within scope, the Authority will need to determine which measurement method it will be applying that may involve the engagement of valuation experts.

How we addressed this risk

We completed the following work:

- critically reviewed the accuracy and completeness of the Authority's assessment;
- reviewed the accounting policy and relevant disclosures;
- reviewed the accounting treatment for a sample of leases, where material;
- where material, tested the valuation of the lease liability and corresponding right of use assets to ensure the valuations are in line with the standard; and
- reviewed the PFI model and ensure arrangements have been accounted for in line with the standard.

Audit conclusion

This work is still in progress. Management did not initially adequately address the requirements of the accounting standard. A number of adjustments and amended disclosures have been made since, which are still under audit review.

Significant findings

Wider responsibilities

Our powers and responsibilities under the 2014 Act are broad and include the ability to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these powers as part of our 2024/25 audit.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. No such questions or objections have been raised.

05

Internal control conclusions

Significant control deficiencies

As part of our audit, we obtained an understanding of the Authority's internal control environment and control activities relevant to the preparation of the financial statements, which was sufficient to plan our audit and determine the nature, timing, and extent of our audit procedures. Although our audit was not designed to express an opinion on the effectiveness of the Authority's internal controls, we are required to communicate to Those Charged with Governance any significant deficiencies in internal controls that we identified in during our audit.

Deficiencies in internal control

A deficiency in internal control exists if:

- A control is designed, implemented, or operated in such a way that it is unable to prevent, detect, and/ or correct potential misstatements in the financial statements; or
- A control that is necessary to prevent, detect, and/ or correct misstatements in the financial statements on a timely basis is missing.

The purpose of our audit was to express an opinion on the financial statements. As part of our audit, we have considered the Authority's internal controls relevant to the preparation of the financial statements to design audit procedures to allow us to express an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal controls or to identify any significant deficiencies in their design or operation.

The matters reported in this section of our report are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and which we consider to be of sufficient importance to merit being reported.

If we had performed more extensive procedures on internal control, we might have identified more deficiencies to report or concluded that some of the reported deficiencies need not in fact have been reported.

Our comments in this section should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Significant deficiencies in internal control

A significant deficiency in internal control is one which, in our professional judgement, has the potential for financial loss, damage to reputation, or a loss of information which may have implications on the achievement of business strategic objectives. Our view is that observations categorised as a significant deficiency is of sufficient importance to merit the attention of Those Charged With Governance.

We have not identified any significant deficiencies in the Authority's internal controls as at the date of this report.

Other observations

We also record our observations on the Authority's internal controls where, in our professional judgement, there is a need to strengthen internal control or enhance business efficiency that do not constitute significant deficiencies in internal control but which we view as being important for consideration by management.

The other control deficiencies that we have identified as at the date of this report are set out in *'Appendix A: Internal control conclusions'*.

06

Summary of misstatements

Summary of misstatements

Unadjusted misstatements

Our overall materiality, performance materiality, and clearly trivial (reporting) threshold were reported in our Audit Strategy Memorandum, issued on 3 September 2026. Any subsequent changes to those figures are set out in the *'Audit approach and risk summary'* section of this report.

Management has assessed the misstatements in the table below as not being material, individually or in aggregate, to the financial statements and does not plan to adjust. We only report to Those Charged with Governance unadjusted misstatements that are either material by nature or which exceed our reporting threshold.

Description	Nature	Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
DR Reserves CR PFI Assets Historic unreconciled difference between the Fixed Asset Register and the Accounts.	Judgemental			141	141
DR Net Pension Assets CR Asset Ceiling Restriction Being the estimated understatement of LGPS pension fund assets applying the Authority's share of the Fund total, based on the work undertaken by pension fund auditor. Note that due to the asset ceiling restriction, this is a disclosure issue only. The amount charged to the CIES as OCI is unchanged.	Factual	314			314
Aggregate effect of unadjusted misstatements		**314**	**0**	**141**	**455**

We will obtain written representations confirming that, after considering the unadjusted misstatements, both individually and in aggregate, in the context of the financial statements taken as a whole, no adjustments are required.

Summary of misstatements

Adjusted misstatements

The misstatements in the table below have been adjusted by management. We report all individual misstatements above our reporting threshold that we identify during our audit and which management had adjusted and any other misstatements we believe Those Charged With Governance should be made aware of.

Description	Nature	Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
DR Disposal Account (CIES) CR Vehicles, Plant, Furniture & Equipment – Cost DR Accumulated Depreciation- Vehicles, Plant, Furniture & Equipment CR Disposal Account (CEIS) Being disposals included in the Fixed Asset Register, but not the Accounts. This led to understatement of disposals and accumulated depreciation.	Factual	-121 121			121 -121
IFRS 16 ADJUSTMENTS TO THE ACCOUNTS TO BE INCLUDED IN THE FOLLOW UP LETTER ONCE WORK IS COMPLETED					
Aggregate effect of adjusted misstatements		**TBC**	**TBC**	**TBC**	**TBC**

Summary of misstatements

Disclosure misstatements

Adjusted

We identified the following disclosure misstatements during our audit that have been corrected by management:

- Note 3 – Critical judgements in applying accounting policies - GMP equalisation and indexation wording amended to reflect 2024/25 position.
- Note 19 - Cash Flow Statement – Operating activities - Note 19 didn't include an analysis of the (£11,542k) non-cash movement on the provision of services.
- Note 29 – Defined benefit pension schemes - The value of the FFPS defined benefit obligation should be £640,290k (stated as £604,290k) in the 'Pensions assets and liabilities recognised in the Balance Sheet' table.
- Note 30 - Contingent liabilities - We would expect employers participating in LGPS to include narrative disclosures relating to the Virgin Media case in the Defined Benefits Pension Scheme note in the financial statements, and we would expect the disclosure to include a number of points which have now been included.
- Note 6 - Adjustments between accounting and funding basis - "Comparative figure 2023/24 Capital expenditure charged to the General Fund balance and Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement does no agree to the prior year audited accounts, casting error of £133k.
- TWFRS LTD - as a decision was made by the Board to dissolve the company post 31 March 2025 despite it making a small profit in 2024/25, this would be classed as a non-adjusting event after the reporting period and requires to be included in a relevant note. We are yet to confirm whether this change has been made.

Unadjusted

We identified the following disclosure misstatements during our audit that have not been corrected by management (at this stage, as the work is still in progress):

- Statement of Accounts - All related IFRS 16 disclosures were initially omitted from the accounts and relevant notes and accounting policies. We are yet to confirm the completeness and accuracy of those and will update committee Members on this in the follow up letter.

We will obtain written representations confirming that, after considering the unadjusted disclosure misstatements, both individually and in aggregate, in the context of the annual report and financial statements taken as a whole, no adjustments are required.

07

Fraud considerations

Fraud considerations

We have a responsibility to plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement, whether due to fraud or error.

Your responsibilities

Management has primary responsibility for the prevention and detection of fraud. It is important that management, with the Governance, Risk and Audit Scrutiny Committee oversight, place a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment. This involves a commitment to creating a culture of honesty and ethical behaviour which is reinforced by the Governance, Risk and Audit Scrutiny Committee's active oversight.

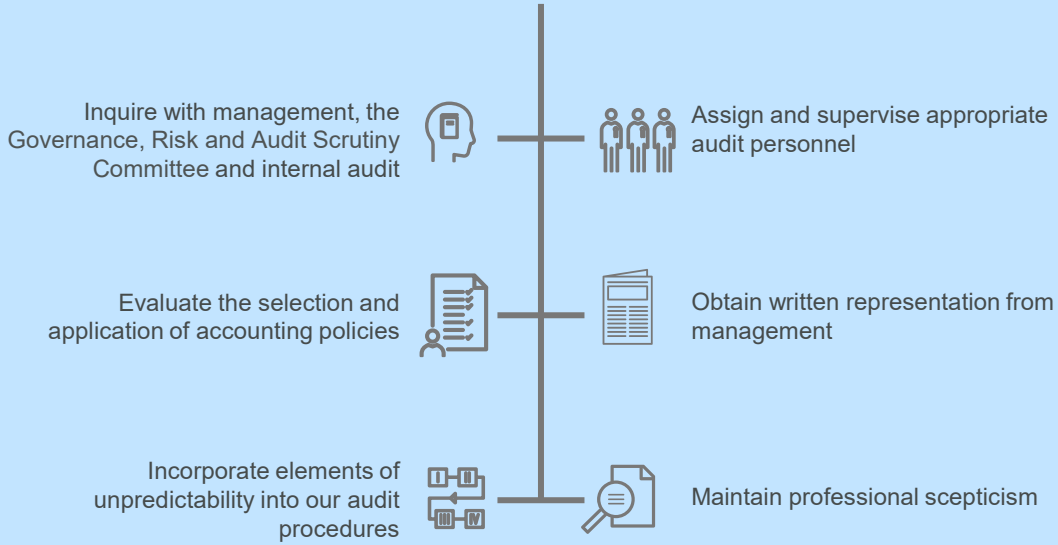
Our responsibilities

We have a responsibility for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether due to fraud or error. The distinguishing factor between fraud and error is whether the underlying action that results in a misstatement is intentional or unintentional. Two types of intentional misstatements are relevant to us – misstatements resulting from fraudulent financial reporting, and misstatements resulting from the misappropriation of assets.

ISA presumed fraud risks

As set out in the *'Audit approach and risk summary'* section, the risks of fraud in management override of controls was identified as significant risk.

Our overall approach to fraud



Our overall conclusion

We did not identify any actual or suspected fraud involving management, employees with significant roles in internal control or others, where the fraud resulted in a material misstatement in the financial statements.

08

Value for Money

Value for Money

Approach to Value for Money

We are required to form a view as to whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out in order to form our view and sets out the overall criterion and sub-criteria that we are required to consider.

This is the first audit year where we have undertaken our value for money (VFM) work under the full 2024 Code of Audit Practice (the Code). Our responsibility remains to be satisfied that the Authority has proper arrangements in place, and to report in the auditor's report where we are not satisfied that arrangements are in place. Where we have issued a recommendation in relation to a significant weaknesses this indicates we are not satisfied that arrangements are in place. Separately we provide a commentary on the Authority's arrangements in the Auditor's Annual Report.

A key change in the 2024 Code of Audit Practice is the requirement for us to issue our Auditor's Annual Report for the year ending 31st March 2025 to you in draft by the 30th November 2025. This is required whether our audit is complete or not. We provided a draft report to you on 13 November 2025, thereby meeting this new requirement.

The Code requires us to structure our commentary to report under three specified criteria:

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

At the planning stage of the audit, we undertake work to understand the arrangements that the Authority has in place under each of the reporting criteria and we identify risks of significant weaknesses in those arrangements. Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest significant weaknesses in arrangements exist.

In our Audit Strategy Memorandum dated 3 September 2025, we reported that we had not identified any risks of significant weaknesses in arrangements.

Where our risk-based procedures identify actual significant weaknesses in arrangements we are required to report these and make recommendations for improvement. Where such significant weaknesses are identified, we report these in the audit report by exception. We will also highlight emerging issues or other matters that do not represent significant weaknesses but still require attention from the Authority.

The primary output of our work on the Authority arrangements is the commentary on those arrangements that forms part of the Auditor's Annual Report. This commentary will provide a summary of the work we have undertaken and our judgements against each of the specified reporting criteria.

A draft Auditor's Annual Report dated 13 November 2025 was shared with Members to comply with the new requirement to share a draft each year before the end of November. A final Auditor's Annual report will be issued when we have issued our audit opinion.

Status of our work

We have completed our work in respect of the Authority's arrangements for the year ended 31 March 2025 and we have not identified any significant weaknesses in arrangements that have required us to make a recommendation. Our draft audit report at Appendix B confirms that we have no matters to report in respect of significant weaknesses. However, we raised an "other recommendation" in relation to Governance, with regards to the Implementation of new accounting standards. At this stage, we have concluded that this does not constitute a significant weakness in the Authority's arrangements.

Appendices

A: Internal control conclusions

B: Draft management representation letter

C: Draft audit report

D: Confirmation of our independence

E: Other communications

Appendix A: Internal control conclusions

Other deficiencies in internal control

A deficiency in internal control exists if:

- A control is designed, implemented, or operated in such a way that it is unable to prevent, detect, and/ or correct potential misstatements in the financial statements; or
- A control that is necessary to prevent, detect, and/ or correct misstatements in the financial statements on a timely basis is missing.

The purpose of our audit was to express an opinion on the financial statements. As part of our audit, we have considered the Authority's internal controls relevant to the preparation of the financial statements to design audit procedures to allow us to express an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal controls or to identify any significant deficiencies in their design or operation.

The matters reported in Appendix A are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and which we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control, we might have identified more deficiencies to report or concluded that some of the reported deficiencies need not in fact have been reported. Our comments in Appendix A should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

This Appendix sets out the internal control observations that we have identified as at the date of this report. These control observations are not, in our view, significant control deficiencies but have been reported to management directly and are included in this report for your information. In our view, there is a need to address the deficiencies in internal control set out in this section to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.

Appendix A: Internal control conclusions

Other deficiencies in internal control

This Appendix sets out the internal control observations that we have identified as at the date of this report. These control observations are not, in our view, significant control deficiencies but have been reported to management directly and are included in this report for your information. In our view, there is a need to address the deficiencies in internal control set out in this section to strengthen internal control or enhance business efficiency. Our recommendations should be actioned by management in the near future.

Implementation of new accounting standards

Description of deficiency

Management did not prepare its initially submitted Statement of Accounts in line with the requirements of the Code and newly issued accounting standard IFRS 16 Leases which materially affected the Authority. No disclosures were made when the accounts were submitted for audit.

Potential effects

The Accounts are materially misstated.

Recommendation

- Management to review its system of internal controls which underpins the preparation of its financial statements;
- For any upcoming relevant accounting standards, management should keep up to date and review all relevant publications to accounting standards that are applicable to the Authority;
- Ensure that sufficient time is spent in preparation of all relevant working papers that underpin the accounts. This could include consultation with external experts if necessary and
- Ensure that all relevant documentation is available in time for the audit, which would prevent delays and any adverse impacts on the financial statements.

Management response

Recommendations noted.

Internal control conclusions

Follow up on Other observation on internal control from 2023/24

In our view, there is a need to address the observation on internal control set out in this section to comply with best practice in relation to the arrangements for the consideration of Directors' interests for potential disclosure in the related party transactions note in the annual Statement of Accounts.

Fixed Asset Register- Useful Economic Lives

Description of deficiency

The assets' useful economic life in the Fixed Asset Register have not been kept up to date. Instead, separate working papers are kept to update the figures of the assets in the accounts in accordance with the remaining useful economic life.

Potential effects

There is a risk that the depreciation charge for the year is materially misstated.

Recommendation

We recommend that the Fixed Asset Register is kept up to date to ensure there are no mismatches in the remaining useful economic lives which could lead to material differences in the Net Book Value of the assets.

Management response

The process has been reviewed to ensure the years remaining from the Valuation report are updated annually in the Fixed Asset Register.

Internal control conclusions

Follow up on Other observation on internal control from 2023/24

In our view, there is a need to address the observation on internal control set out in this section to comply with best practice in relation to the arrangements for the consideration of Directors' interests for potential disclosure in the related party transactions note in the annual Statement of Accounts.

Fixed Asset Register- Disposals process

Description of deficiency

We noted that management have performed a review of its fixed asset register and removed (gross value) £5,901k of nil net book value assets including vehicles, ICT and other operational assets that are no longer in use. Although we were able to obtain a confirmation from officers that those assets are no longer in use, management could not provide any other supporting documentation on the specific assets that were disposed of, except for the vehicles. Assurances obtained included that these were very old assets (dating back more than 10 years) the majority of which were ICT equipment no longer in use.

Potential effects

The absence of adequate audit trail makes the verification of the existence of those assets more difficult and could hinder the Authority's management of those assets which could result in potential misappropriation. However, the majority of The Authority's assets are land and buildings, but the value of vehicles and other equipment is still material.

Although the nil net book value assets have no financial impact on the financial statements, some of those assets may still be in use and therefore have some value. In this case, it could suggest that the Authority needs to review its accounting policy over the Useful Economic Lives (UEL) of its assets which affects valuation.

Recommendation

We recommend that the Authority puts an annual process into place where assets at the end of their UELs are reviewed, and maintain an audit trail of all assets no longer in use which are then removed from the fixed asset register each year.

Management response

Noted as an issue in 2024/25 due to a housekeeping exercise to remove historic assets no longer in the service. An annual process is now in place to review assets at the end of their UEL and with a nil NBV.

Internal control conclusions

Follow up on Other observation on internal control from 2023/24

In our view, there is a need to address the observation on internal control set out in this section to comply with best practice in relation to the arrangements for the consideration of Directors' interests for potential disclosure in the related party transactions note in the annual Statement of Accounts.

Service level organisation management

Description of deficiency

The Authority has a Service Level Agreement (SLA) with Sunderland City Council (SCC) to provide a range of finance services, all relevant to the financial statements. Management therefore places reliance on SCC to deliver its services in line with the SLA. To support our cash testing, we obtained a direct confirmation from SCC on the Authority's cash balance. This was c£254k different to the cash balance reported in the draft financial statements. Although we were able to obtain sufficient evidence and explanations to support the difference and conclude that the right amount was recorded in the financial statements, management was unaware of the difference. The use of such a service organisation for the preparation of its financial statements does not relieve management of their responsibilities for the financial statements.

Potential effects

Incomplete or inaccurate disclosures in relation to cash, and potentially other balances where SCC produces key reconciliations which feed directly into the preparation of the financial statements.

Recommendation

We recommend management to consider this observation as part of their next review of the SLA to:

· Consider putting more formal arrangements in place in terms of monitoring of service delivery;
· Review its SLA for any clauses/ scope for the service organisation to provide a report on its controls (typically a type 1, or type 2 report). These are normally issued under International Standard on Assurance Engagements (ISAE) 3402, or consider this as part of internal audit's programme; and

We also recommend that management reviews its existing bank account arrangements.

In the interim, we recommend that:

· Management establish additional processes and controls to ensure that services are performed in line with the SLA; and
· Management assess the processes and controls SCC has in place to help it better understand performance against the SLA.

Management response

Work to be done on this new control.

Appendix B Draft management representation letter

TO BE PROVIDED ON CLIENT LETTERHEAD

The client should provide this letter to us on client headed note paper, it should be signed by the Finance Officer and dated as close to (but not after) the date of the audit report as possible.

Address to:

Gavin Barker

Audit Director

Forvis Mazars LLP

Dear Gavin Barker

Tyne and Wear Fire and Rescue Authority - Audit for Year Ended 31 March 2025

This representation letter is provided in connection with your audit of the financial statements of Tyne and Wear Fire and Rescue Authority for the year ended 31 March 2025 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code), and applicable law.

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy myself that I can properly make each of the following representations to you.

My responsibility for the financial statements and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Code, as amended by applicable law.

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which I am aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Authority you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Director of Finance, Estates and Facilities that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information.

As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

I confirm that there is no information provided to you as part of the audit that I consider legally privileged.

Accounting records

I confirm that all transactions that have a material effect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Authority and committee meetings, have been made available to you.

Appendix B Draft management representation letter

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Authority's financial position, financial performance and cash flows.

Accounting estimates, including those measured at current and/or fair value

I confirm that the methods, significant assumptions and the data used by the Authority in making the accounting estimates, including those measured at current and/or fair value, are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework. I confirm:

- that the significant judgments made in making the accounting estimates have taken into account all relevant information of which management is aware;
- about the consistency and appropriateness in the selection or application of the methods, assumptions and data used by management in making the accounting estimates;
- that the assumptions appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity, when relevant to the accounting estimates and disclosures;
- that disclosures related to accounting estimates, including disclosures describing estimation uncertainty, are complete and are reasonable in the context of the applicable financial reporting framework;
- that appropriate specialized skills or expertise has been applied in making the accounting estimates;
- that no subsequent event requires adjustment to the accounting estimates and related disclosures included in the financial statements; and/or
- when accounting estimates are not recognised or disclosed in the financial statements, about the appropriateness of management's decision that the recognition or disclosure criteria of the applicable financial reporting framework have not been met.

Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:
information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Authority have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Code, as amended by applicable law.

Appendix B Draft management representation letter

Laws and regulations
I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

The Authority has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Fraud and error
I acknowledge my responsibility as Director of Finance, Estates and Facilities for the design, implementation and maintenance of internal control to prevent and detect fraud and error and I believe I have appropriately fulfilled those responsibilities.

I have disclosed to you:
all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;

- all knowledge of fraud or suspected fraud affecting the Authority involving:
    - management and those charged with governance;
    - employees who have significant roles in internal control; and
    - others where fraud could have a material effect on the financial statements.
- I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Authority's financial statements communicated by employees, former employees, analysts, regulators or others.

Related party transactions
I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed in accordance with the requirements of the Code, as amended applicable law.

I have disclosed to you the identity of the Authority's related parties and all related party relationships and transactions of which I am aware.

Impairment review
To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

Appendix B Draft management representation letter

Charges on assets
All the Authority's assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

Future commitments
The Authority has no plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Service Concession Arrangements
I am not aware of any material contract variations, payment deductions or additional service charges in 2024/25 in relation to the Authority's service concession arrangements that you have not been made aware of.

Subsequent events
I confirm all events subsequent to the date of the financial statements and for which the Code, as amended by applicable law, require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

Impacts of Russian Forces entering Ukraine
I confirm that I have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the Authority, including the impact of mitigation measures and uncertainties, and that no disclosures are required in the financial statements.

Tariffs
I confirm that I have carried out an assessment of the potential impact of changes in US trade policy in respect of tariffs, including the impact of reciprocal tariffs by other countries, including the impact of mitigation measures and uncertainties, and that no disclosures are required in the financial statements.

Going concern
To the best of my knowledge there is nothing to indicate that the Authority will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

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

Appendix B Draft management representation letter

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

Unadjusted misstatements
I confirm that the effects of the uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this letter as an Appendix.

Arrangements to achieve economy, effectiveness and efficiency in Use of Resources (Value for Money arrangements)
I confirm that I have disclosed to you all findings and correspondence from regulators for previous and ongoing inspections of which I am aware. In addition, I have disclosed to you any other information that would be considered relevant to your work on value for money arrangements.

Yours faithfully,

Michelle Ronan

Director of Finance, Estates and Facilities

Date: XXXX

Appendix B Draft management representation letter

Appendix

Schedule of unadjusted misstatements

Description	Nature	Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
DR Reserves CR PFI Assets Historic unreconciled difference between the Fixed Asset Register and the Accounts.	Judgemental			141	141
DR Net Pension Assets CR Asset Ceiling Restriction Being the estimated understatement of LGPS pension fund assets share of the Authority, based on the work undertaken by pension fund auditor. Note that due to the asset ceiling restriction, this is a disclosure issue only. The amount charged to the CIES as OCI is unchanged.	Factual	314			314
Aggregate effect of unadjusted misstatements		**314**	**0**	**141**	**455**

Appendix C: Draft audit report

Independent auditor's report to the members of Tyne and Wear Fire and Rescue Authority

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of Tyne and Wear Fire and Rescue Authority ("the Authority") for the year ended 31 March 2025, which comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Firefighters' Pension Fund Statement, the Firefighters' Pension Net Assets Statement and notes to the financial statements, including material accounting policy information. 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 2024/25.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31st March 2025 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

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. 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 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

In auditing the financial statements, we have concluded that the Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, and taking into account the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Finance Officer with respect to going concern are described in the relevant sections of this report.

forvis mazars

Appendix C: Draft audit report

Other information

The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Finance 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 our report, we do not express any form of assurance conclusion thereon.

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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Finance Officer for the financial statements

As explained more fully in the Statement of the Finance Officer's Responsibilities, the Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the 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 2024/25, and for being satisfied that they give a true and fair view. The Finance Officer is also responsible for such internal control as the Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Finance Officer is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and prepare the financial statements on a going concern basis on the assumption that the functions of the Authority will continue in operational existence for the foreseeable future. The Finance Officer is responsible for assessing each year whether or not it is appropriate for the Authority to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Appendix C: Draft audit report

Based on our understanding of the Authority, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, data protection, environmental protection, corruption and anti-bribery.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- gaining an understanding of the legal and regulatory framework applicable to the Authority, the environment in which it operates, and the structure of the Authority, and considering the risk of acts by the Authority which were contrary to the applicable laws and regulations, including fraud;
- inquiring with management and the Authority, as to whether the Authority is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- reviewing relevant meeting minutes in the year;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Authority which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992 and 2012, and the Accounts and Audit Regulations 2015.

In addition, we evaluated the Finance Officer's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management, Internal Audit and the Governance, Risk and Audit Scrutiny Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud, rests with both management and the Governance, Risk and Audit Scrutiny Committee . As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

Appendix C: Draft audit report

We are also required to conclude on whether the Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom, (Revised 2024) and Supplementary Guidance Note 01, issued by the National Audit Office in November 2024.

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

Report on the Authority's arrangements for securing economy, efficiency, and effectiveness in its use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our view we are not satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We have nothing to report in this respect.

Responsibilities of the Authority

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 review of arrangements for securing economy, efficiency, and effectiveness in the 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. 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.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Appendix C: Draft audit report

Use of the audit report

This report is made solely to the members of Tyne and Wear Fire and Rescue Authority as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Authority those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Authority, as a body, for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to

issue our assurance statement in respect of the Authority's Whole of Government Accounts consolidation pack.

[Signature]

Gavin Barker, Key Audit Partner

For and on behalf of Forvis Mazars LLP (Local Auditor)

Forvis Mazars

Bank Chambers

26 Mosely Street

Newcastle upon Tyne

NE1 1DF

[Date]

Appendix D: Confirmation of our independence

We communicate any matters which we believe may have a bearing on the independence or the objectivity of Forvis Mazars LLP and the audit team. As part of our ongoing risk assessment, we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We confirm that no new threats to independence have been identified since issuing our Audit Strategy Memorandum and therefore we remain independent.

Appendix E: Other communications

Other communication		Response
	Compliance with Laws and Regulations	We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations. We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.
	External confirmations	We did not experience any issues with respect to obtaining external confirmations.
	Related parties	We did not identify any significant matters relating to the audit of related parties. We will obtain written representations from management confirming that: a. they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and b. they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.
	Going Concern	We have not identified any evidence to cause us to disagree with the Chief Financial Officer that the Authority will be a going concern, and therefore we have not identified any evidence to cause us to consider that the use of the going concern assumption in preparation of the financial statements is not appropriate. We will obtain written representations from management, confirming that all relevant information covering a period of at least 12 months from the date of approval of the financial statements has been taken into account in assessing the appropriateness of the going concern basis of preparation of the financial statements.

Appendix E: Other communications

Other communication		Response
	Subsequent events	We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor's report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework. We will obtain written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.
	Matters related to fraud	Our audit was designed to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement due to fraud. Please refer to the section titled 'Fraud considerations' for our fraud considerations and conclusion. We will obtain written representations from management and, where appropriate, Those Charged With Governance, confirming that a. they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud; b. they have disclosed to the auditor the results of management's assessment of the risk that the financial statements may be materially misstated as a result of fraud; c. they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving: i. management; ii. employees who have significant roles in internal control; or iii. others where the fraud could have a material effect on the financial statements; and d. they have disclosed to the auditor their knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

Appendix E: Other communications

Other communication		Response
	System of Quality Management	To address the requirements of ISQM (UK) 1, our firm's System of Quality Management team completes, as part of an ongoing and iterative process, a number of key steps to assess and conclude on our firm's System of Quality Management, including: • Ensuring there is an appropriate assignment of responsibilities under ISQM (UK) 1 and across Leadership • Establishing and reviewing quality objectives each year, ensuring ISQM (UK) 1 objectives align with our firm's strategies and priorities • Identifying, reviewing, and updating quality risks each quarter, taking into consideration a number of input sources (such as FRC / ICAEW review findings, internal monitoring findings, findings from our firm's root cause analysis and remediation functions, etc.) • Identifying, designing, and implementing responses as part of the process to strengthen our firm's internal control environment and overall quality • Evaluating responses and remediating control gaps or deficiencies We perform an evaluation of our system of quality management on an annual basis. Our latest evaluation was performed as of 31 August 2024. Details of that assessment and our conclusion are set out in our 2023/2024 Transparency Report, which is available on our website here.

forvis mazars

Contact

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