

**LANCASHIRE COMBINED FIRE AUTHORITY
AUDIT COMMITTEE**

Meeting to be held on 28 September 2017

CONSULTATION ON AUDITOR APPOINTMENT FROM 2018/19

Contact for further information:

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Executive Summary

Following the national procurement exercise undertaken, Public Sector Audit Appointments (PSAA) has consulted with relevant bodies on the proposed audit appointment for future years.

PSAA are proposing appointing Grant Thornton (UK) LLP to audit the accounts of Lancashire Combined Fire Authority for five years from 2018/19. The appointment will start on 1 April 2018.

Should the Authority wish to make representations on this appointment it had until 22 September to do so. Following consultation with the Chairman and Vice-Chairman of the Audit Committee it was agreed that we would not make any such representations and hence we responded accordingly.

Recommendation

The Committee is asked to note the report.

Information

As Members will recall the Authority opted into Public Sector Audit Appointments (PSAA) auditor appointment arrangements, whereby PSAA is responsible for appointing an auditor to principal local government and police bodies that have chosen to opt into its national auditor appointment arrangements.

PSAA must, under regulation 13 of the Regulations, appoint an external auditor to each opted-in authority and consult the authority about the proposed appointment.

In June 2017 PSAA confirmed that it had completed a procurement to let audit contracts from 2018/19. Grant Thornton (UK) LLP was successful in winning a contract in the procurement, and PSAA propose appointing this firm as the auditor of Lancashire Combined Fire Authority for five years from 2018/19. The appointment will start on 1 April 2018.

In developing this appointment proposal, PSAA have applied the following principles, balancing competing demands as much as they can, based on the information provided by audited bodies and audit firms:

- ensuring auditor independence, as we are required to do by the Regulations;
- meeting our commitments to the firms under the audit contracts;
- accommodating joint/shared working arrangements where these are relevant to the auditor's responsibilities;
- ensuring a balanced mix of authority types for each firm;
- taking account of each firm's principal locations; and
- providing continuity of audit firm if possible, but avoiding long appointments.

PSAA consulted on this appointment in August/September, with a deadline for any representations of 22 September 2017. Representations can include matters that might be an impediment to the proposed firm's independence, were it to be the appointed auditor.

Having consulted with the Chairman and Vice Chairman of the Committee we do not feel there are any reasons to make representation on the appointment of Grant Thornton, who have been our auditors since the abolition of the Audit Commission, and we have therefore confirmed that we have no objection to the proposed appointment.

PSAA will consult on scale fees for 2018/19 in due course and will publish confirmed scale fees for 2018/19 for opted-in bodies in March 2018. As previously reported the results of the audit procurement indicate that a reduction in scale fees in the region of approximately 18% should be possible for 2018/19, based on the individual scale fees applicable for 2016/17.

Financial Implications

None

Environmental Impact

None

Equality and Diversity Implications

None

Human Resource Implications

None

Business Risk Implications

The appointment of an appropriate external auditor is a key control measure within the Authority. As part of this it is essential that the external auditor is independent and is therefore able to fulfil their role. The consultation document enables the Authority to consider this aspect and make representations regarding the appointment if appropriate.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact
None		
Reason for inclusion in Part II, if appropriate:		