

**LANCASHIRE COMBINED FIRE AUTHORITY
AUDIT COMMITTEE**

Meeting to be held on 28 September 2017

**EXTERNAL AUDIT – AUDIT FINDINGS REPORT
(Appendices 1, 2, 3, and 4 refer)**

Contact for further information:

Keith Mattinson – Director of Corporate Services – telephone 01772 866804.

Executive Summary

The external auditor is required to produce an Audit Findings Report summarising the conclusions from their work undertaken as part of the year-end audit of accounts.

The report for the financial year ended 31 March 2017 is attached which does not identify any significant issues.

Recommendation

The Committee is asked to:-

- Note the matters raised in the report;
- Note the unqualified opinion on the financial statements;
- Note the value for money conclusion;
- Note the amended Statement of Accounts.

Information

Under the statutory Code of Audit Practice for Local Government bodies our external auditor, Grant Thornton is required to issue a report to those charged with governance summarising the conclusions from their audit work.

This report, known as the Audit Findings Report, is attached as Appendix 1, and will be presented by the Audit Manager.

The main issues within the report are as follows:-

- Audit opinion - the auditor will give an unqualified opinion on the financial statement;
- Value for money – the auditors concluded that the Authority has proper arrangements in all significant respects to ensure it delivered value for money in its use of resources.

The auditors have identified one issue which needs to be highlighted in terms of our treatment of our share of North West Fire Control, as set out on page 14 of the Audit Findings Report. We will need to adopt this principle for future year's accounts.

The auditor has also identified three adjustments which are required in terms of misclassifications and disclosure changes as set out on page 19 of the Audit Finding Report, and these changes have been incorporated into the final statement of accounts.

In addition it is considered best practice to present the statement of accounts. This was originally approved by Resources Committee in June, and the revised accounts including the audit amendments were re-presented to the Resources Committee on 27 September for re-approval.

Changes made to the accounts

For information, the pages which have changed (with a brief description of the change) are as follows:

Comprehensive Income and Expenditure Statement:

- Council tax income has been increased to reflect incorrect classification of the business rates collection fund deficit recovery;
- Non-domestic rates income has been decreased to reflect incorrect classification of the business rates collection fund deficit recovery.

Balance Sheet:

- Long Term Investments has been decreased to reflect an investment that matured within four months of the balance sheet date;
- Current Assets have been increased to reflect an investment that matured within four months of the balance sheet date.

Note 4 Employee Emoluments – disclosure note amended to correct the salary banding classifications, no change to overall totals.

Note 7 Property, Plant & Equipment – Private Finance Initiative (PFI) assets have been split out from Other Land & Buildings for both the current and comparative financial year, no change to overall totals.

Note 9 Financial Instruments – loans and receivables have been split between long term and current, in accordance with changes to the Balance Sheet.

The changes above requested by Grant Thornton following the audit were made to the accounts.

Audit Action Plan

Grant Thornton has not made any recommendations following the audit, in accordance with the Audit Findings Report.

The original June Resources Committee report, together with the revised report and revised statement of accounts are attached as Appendices 2, 3 and 4 for information.

Financial Implications

The fee for the audit remained consistent with previous fee proposals and the current budget, £31k.

Human Resource Risk Implications

None

Equality and Diversity Implications

None

Environmental Impact

None

Business Risk Implications

The report does not identify any new risk issues that the Authority needs to address.

Local Government (Access to Information) Act 1985

List of Background Papers

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