

**LANCASHIRE COMBINED FIRE AUTHORITY
AUDIT COMMITTEE**

Meeting to be held on 28 July 2020

**EXTERNAL AUDIT – AUDIT PLAN 2019/20
(Appendix 1 refers)**

Contact for further information:

Keith Mattinson – Director of Corporate Services – telephone 01772 866804

Executive Summary

The attached report sets out the proposed external audit plan for 2019/20.

Recommendation

The Committee is asked to agree the external audit plan for 2019/20 and the increased fee proposal.

Information

The external auditors are required to produce an annual audit plan, setting out areas it intends to review during the year. The plan is attached as Appendix 1, and will be presented by the External Audit - Engagement Lead.

The plan highlights the additional work auditors are required to do in terms of:-

- Increased challenge and depth of work;
- Property plant and equipment valuations;
- Pensions;
- New accounting standards.

Having discussed issues with the Engagement Lead the Treasurer is of the opinion that all of the issues do result in an increased workload, which is reflected in the proposed fee. As highlighted elsewhere on the agenda the treasurer believes that these issues are consistent across the sector and as such should be dealt with by Public Sector Audit Appointment Limited (PSAA) agreeing revised baselines, as opposed to being left to local discussion.

The plan proposes an audit completion date of 30 November 2020. Members will recall previous discussions whereby the audit completion date target was brought forward to 31 July for the accounting year 2017/18. The proposed change arises due to the scale of work auditors are required to undertake in a relatively short period of time, the limited resource available to them to undertake this and the impact of Coronavirus on the process. As such Grant Thornton is proposing extending the timeframe in order to ensure that the audits are completed to the appropriate standard with the timetable agreed. It is worth re-iterating that the 31 July target deadline was missed in numerous cases last year.

The amended Accounts and Audit Regulations confirm that as a result of Coronavirus the deadlines for approval of the unaudited accounts by the Treasurer is 31 August at the latest, earlier if possible, and we must publish final audited accounts by 30 November, but if the audit is not complete by that date we must state that it has not been audited yet, and subsequently republish once the audit is complete. Several authorities had to follow this guidance last year.

Financial Implications

The proposed audit fee takes account of the agreed base fee of £23.7k (as set by PSAA) plus a further £4.7k to reflect the additional work required as reflected in the audit plan as presented. This results in a total fee of £28.4k.

Business Risk Implications

The external audit plan is formulated taking account of the risks faced by the Authority, and as such is designed to ensure that the external auditors review how the Authority is managing these risks.

Environmental Impact

None

Equality and Diversity Implications

None

Human Resource Implications

None

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact
Reason for inclusion in Part II, if appropriate:		