

LANCASHIRE COMBINED FIRE AUTHORITY

AUDIT COMMITTEE

Meeting to be held on 20 July 2021

EXTERNAL AUDIT – AUDIT PLAN 2020/21

(Appendix 1 refers)

Contact for further information:

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Executive Summary

The attached report sets out the proposed external audit plan for 2020/21.

Decision Required

The Committee are asked to agree the external audit plan for 2020/21 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;
- Revised Value for Money arrangements.

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.

The plan proposes an audit completion date of September 2021.

Financial Implications

The proposed audit fee takes account of the agreed base fee of £23.7k (as set by PSAA) plus a further £15.2k to reflect the additional work required and reflected in the audit plan as presented. This results in a total fee of £38.9k. (Last years agreed fee was £34.4k.)

The budget allowed for an audit fee of £35k, so this will result in a marginal overspend.

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 |
|--------------------------------------------------|------|---------|
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| Reason for inclusion in Part II, if appropriate: | | |