

LANCASHIRE COMBINED FIRE AUTHORITY

Meeting to be held on 13 December 2021

APPOINTMENT OF EXTERNAL AUDITORS

(Appendix 1 refers)

Contact for further information:

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Table 1 Executive Summary and Recommendations

Executive Summary

The Authority needs to determine how to appoint its external auditors for audit years 2023/2024 to 2027/2028. This decision cannot be delegated to a committee.

As such the Audit Committee at its meeting on 30 November considered the attached report and recommended that the Authority accepts PSAAs invitation to opt-in to the national scheme.

Decision Required

The Authority is asked to accept Public Sector Audit Appointments invitation to opt-in to the national scheme.

Information

As set out in the Executive summary and the attached report.

Financial Implications

The external audit fee for 2020/21 accounts was £39k.

In recent years this fee has increased due to the additional requirements placed on auditors by the Financial Reporting Council. Audit firms have expressed a view that the existing fees are not sustainable and hence any procurement exercise is likely to result in higher fees, irrespective of how it is conducted.

Opting-in to a national sector led approach with PSAA provides some opportunity to limit the extent of any increases by entering in to a large scale collective procurement arrangement and it is felt that a sector led approach is likely to result in the best compromise between sustainable fees and quality of audit.

Human Resource Implications

None

Equality and Diversity Implications

None

Business Risk Implications

As there are only a limited number of external audit firms who have the capacity and specialist teams to undertake local authority audits and therefore there is a risk that in trying to procure in isolation/in a small group, we may get a low level of interest, and/or higher cost, as the external audit firms would be likely to focus their efforts in securing a larger contract through the PSAA procurement exercise.

Environmental Impact

None

Local Government (Access to Information) Act 1985 List of Background Papers

Table 2 Details of any background papers

Paper:	
Date:	
Contact:	
Reason for inclusion in Part 2 if appropriate:	