

# Lancashire Combined Fire Authority

## Audit Committee

Meeting to be held on 29 March 2022

### External Audit – Understanding How the Audit Committee Gains Assurance from Management

(Appendices 1-4 refer)

Contact for further information – Keith Mattinson, Director of Corporate Services  
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*Executive summary and recommendations*

#### **Executive Summary**

In order to comply with International Auditing Standards, the External Auditors, Grant Thornton, need to establish an understanding of the management processes in place to prevent and detect fraud and to ensure compliance with laws and regulations. They are also required to make inquiries of both management and those charged with governance as to their knowledge of any actual, suspected or alleged fraud.

International Auditing Standards also place certain obligations on auditors to document Management's view on some key areas affecting the financial statements.

In addition to the request to management, they also will need to gain an understanding of how those charged with governance maintain oversight of the above processes.

As such the auditors have written to both management (the Executive Board) and the Chair of the Audit Committee requesting the relevant information, copy letters are attached as appendix 1 and 2.

A response has been prepared by the Executive Board, attached as appendix 3, and a separate response by the Chair of the Audit Committee, attached as appendix 4.

#### **Recommendation(s)**

The Committee is asked to:-

- note and endorse the response submitted by the Executive Board;
- approve the response for submission by the Chair of the Audit Committee.

#### **Information**

As stated in the Executive Summary.

## **Financial Implications**

None

## **Business Risk Implications**

The internal controls operated within the Authority are designed to minimise business risk in general and in particular the risk of fraud.

## **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 2 if appropriate: