

Lancashire Combined Fire Authority

Audit Committee

Meeting to be held on 28 November 2023

External Audit Fees (Appendices 1 and 2 refer)

Contact for further information:

Steven Brown - Director of Corporate Services – Telephone Number 01772 826804

Executive Summary

This report updates Committee Members of the proposed audit fees from 2023/24 advised by Public Sector Audit Appointments Ltd following the appointment process reported to the CFA in December 2021.

Recommendation

The Committee is asked to note the proposed 2023/24 audit fees and response to the consultation.

Information

The CFA accepted the Public Sector Audit Appointments invitation to opt-in to the national scheme in December 2021. Following a process our auditors Grant Thornton were appointed for a further five years from 2023/24. The procurement took place against the challenging backdrop of a troubled audit profession, a turbulent market and a local audit system that is facing unprecedented difficulties including large volumes of delayed audit opinions.

The Committee was advised that in Autumn 2023 the Public Sector Audit Appointments Ltd (PSAA) will consult on the proposed scale of audit fees payable by bodies in respect of the audit of 2023/24 accounts and to expect increases of the order of 150% on the total fees for 2022/23.

Audit requirements have increased in recent years as a result of increased regulatory challenge, changes to the audit work required under the Code of Audit Practice and updated auditing and financial reporting standards. On the 19th September the Chief Executive of the PSAA advised the Authority of our proposed fee for 2023/24 of £92,606; representing a 151% increase (See Appendix 1). Alongside this the PSAA launched a consultation on the fee scales which we responded to (See Appendix 2).

This consultation on the 2023/24 fee scale is taking place at a time of change in the local audit system. The audit profession has been subject to high levels of scrutiny in recent years following several widely reported financial failures in the private sector and increase in reported Section 114 notices across the sector.

The financial pressure will be included in the 2024/25 budget report to the Authority in February 2024.

Financial Implications

Set out in the report.

Business Risk Implications

None

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: N/A