

# LEICESTERSHIRE

## FIRE and RESCUE SERVICE

Status of Report: Public Agenda Item: 10

**Meeting:** Corporate and Governance Committee  
**Date:** 14<sup>th</sup> March 2018  
**Subject:** External Audit Plan 2017/2018  
**Report by:** The Treasurer  
**Author:** Adam Stretton (Area Manager – Finance and ICT)  
**For:** Discussion

### 1. Purpose

The Combined Fire Authority's (CFA's) external auditors, KPMG, have requested that their Audit Plan for 2017/2018 (the Plan) is presented to the Corporate Governance Committee for consideration.

### 2. Recommendations

The Corporate Governance Committee is asked to note the External Audit Plan for 2017/2018.

### 3. Executive Summary

The plan for the 2017/2018 external audit of the CFA includes an analysis of KPMG's approach to audit planning, Value for Money arrangements work, other matters including proposed fees and the composition of the KPMG team. Discussion of the Plan with Members ensures that KPMG understand Members' views and concerns and that agreement is reached on both parties' mutual needs and expectations to enable KPMG to provide the CFA with the highest level of service quality.

### 4. Report Detail

- 4.1 KPMG were appointed as external auditors by Public Sector Audit Appointments Ltd (PSAA) in April 2015. This appointment commenced from the 2015/16 accounts and will remain until completion of the 2017/18 accounts. Mazars LLP have recently been appointed by the PSAA as the external auditor from 2018/19 so the forthcoming audit will be the last by KPMG.
- 4.2 The Plan has been prepared to inform Members and Officers of the CFA about KPMG's responsibilities as the CFA's external auditors and how they plan to discharge them. Every public authority is accountable for the stewardship of public

funds. The responsibility for this stewardship is placed upon the Members and Officers of the CFA. KPMG's statutory responsibilities and powers are set out in the Local Audit and Accountability Act 2014, the National Audit Office's Code of Audit Practice and the PSAA Statement of Responsibilities. Based upon discussion with management and their understanding of the CFA and the Local Government sector, KPMG have noted recent developments and key significant risks. The Plan has been drawn up to consider the impact of these developments and risks.

4.3 The Plan sets out in more detail KPMG's audit approach for the period 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018, including the 2017/18 final accounts audit which KPMG will undertake in early summer 2018. KPMG will continue to review this plan during the audit, and update it where necessary, to reflect developments at the CFA or any changes in their understanding of the issues that it faces.

4.4 Representatives from KPMG will be attending the meeting to answer any questions Members may have on the Plan which is attached as **the Appendix**.

## **5. Report Implications / Impact**

### **5.1 *Legal (including crime and disorder)***

These are included in the main body of the report.

### **5.2 *Financial (including value for money, benefits and efficiencies)***

KPMG propose a total audit fee of £29,247, the same as 2016/17. KPMG will also be carrying out the assessment of the CFA to determine a local value for money conclusion and this cost is included in the overall price.

### **5.3 *Risk (including corporate and operational, health and safety and any impact on the continuity of service delivery)***

External Audit provides reassurance to the general public that the CFA is meeting its statutory obligations. They also work with Internal Audit and the Treasurer in ensuring that effective internal control procedures are in place.

### **5.4 *Staff, Service Users and Stakeholders (including the Equality Impact Assessment)***

None.

### **5.5 *Environmental***

None.

### **5.6 *Impact upon Our Plan Objectives***

The CFA's Strategic Objective 4 is the attainment of efficiency and the provision of a value for money service. The provision of external audit assists both effective and efficient management and good corporate governance. It also externally validates the CFA's progress in this area.

**6. Background Papers**

External Audit Plan 2016/17 (Corporate Governance Committee paper – 15<sup>th</sup> March 2017)

**7. Appendix**

Draft 2017/2018 KPMG Audit Plan