

ROYAL BERKSHIRE FIRE AUTHORITY



COMMITTEE	AUDIT & GOVERNANCE COMMITTEE
DATE OF MEETING	27 JANUARY 2020
SUBJECT	EXTERNAL AUDIT UPDATE
LEAD OFFICER	CONOR BYRNE, HEAD OF FINANCE AND PROCUREMENT
LEAD MEMBER	N/A
EXEMPT INFORMATION	N/A
ACTION	NOTE AND AGREE

1. EXECUTIVE SUMMARY

- 1.1 Ernst & Young (EY) will provide a verbal update to the Committee in relation to their audit work of the 2018/19 Statement of Accounts and the continuing delays in signing off the accounts.

2. RECOMMENDATIONS

That the Committee:

- 2.1 **NOTE** the verbal update from the External Auditor;
- 2.2 **AGREE** to delegate the approval of the 2018/19 Statement of Accounts, on receipt of the Audit Opinion, to the Head of Finance and Procurement in consultation with the Chairman and Vice-Chairman of the Audit and Governance Committee.

3. REPORT

- 3.1 As advised to Members previously, EY have had resourcing issues which has impacted on their ability to deliver the audit of our accounts according to the timetable set out earlier in the year.
- 3.2 However, the overriding impediment to signing off our financial statements relates to the audit by Deloitte of the Berkshire Pension Fund which is still ongoing. A share of the assets and liabilities of this fund appears on our

balance sheet so EY are unable to sign off our accounts until Deloitte have concluded their audit.

- 3.3 Separately, agreement has also been reached between our actuary, Hymans, and EY on the assumptions that should be used to calculate the additional pension liabilities arising from the McCloud ruling which will allow finalisation of the pension liabilities.
- 3.4 It is expected that these two outstanding matters will be resolved in the coming weeks, allowing our financial statements to be signed off with an unqualified opinion.
- 3.5 Given that we are already approaching the end of the current financial year, there is an urgency in signing off the 2018/19 Statement of Accounts. Members are, therefore, being asked to agree that the approval of the accounts is delegated to the Head of Finance and Procurement in consultation with the Chairman and Vice-Chairman of this Committee.
- 3.6 EY will provide members with any further developments at the Committee meeting.
- 3.7 Finally, it should be noted that officers had planned to take the Statement of Assurance to this Committee meeting but this has not been possible as one of the key pieces of evidence to inform the Statement are the Authority's audited financial statements. The Statement of Assurance will now be presented to the Audit and Governance meeting in March.

4. CONTRIBUTION TO STRATEGIC COMMITMENTS:

- 4.1 Commitment 5 – We will ensure that Royal Berkshire Fire and Rescue Service provides good value for money.

5. FINANCIAL IMPLICATIONS:

- 5.1 The work of the external auditors assures members that the Authority's finances are in good order.

6. LEGAL IMPLICATIONS:

- 6.1 Complies with the Local Audit (Appointing Person) Regulations 2015

7. EQUALITY AND DIVERSITY IMPLICATIONS:

- 7.1 None

8. RISK IMPLICATIONS:

- 8.1 Financial risks are identified and mitigations and controls are tested by the external auditors.

9. CONSISTENCY WITH DUTY TO COLLABORATE:

9.1 The Authority opted into the national procurement exercise run by PSAA to appoint its external auditors.

10. PRINCIPAL CONSULTATION:

10.1 The Chief Fire Officer has noted the contents of the report.

10.2 The Monitoring Officer has been consulted.

11. BACKGROUND PAPERS:

11.1 None.

12. APPENDICES:

12.1 None.

13. CONTACT DETAILS:

13.1 Conor Byrne - Head of Finance and Procurement
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