

# ROYAL BERKSHIRE FIRE AUTHORITY



<b>COMMITTEE</b>	<b>AUDIT &amp; GOVERNANCE COMMITTEE</b>
<b>DATE OF MEETING</b>	<b>17 OCTOBER 2022</b>
<b>SUBJECT</b>	<b>EXTERNAL AUDIT UPDATE</b>
<b>LEAD OFFICER</b>	<b>CONOR BYRNE, HEAD OF FINANCE AND PROCUREMENT</b>
<b>LEAD MEMBER</b>	<b>N/A</b>
<b>EXEMPT INFORMATION</b>	<b>N/A</b>
<b>ACTION</b>	<b>FOR NOTE</b>

## 1. EXECUTIVE SUMMARY

- 1.1 EY will present a verbal update in relation to the current status of the audit of the 2020/21 Statement of Accounts and also present their plan for the audit of the 2021/22 Financial Statements. Outcomes from the national procurement exercise for audit services are also set out in this report.

## 2. RECOMMENDATIONS

- 2.1 That the Committee **NOTE** the report.

## 3. REPORT

- 3.1 Although it had been hoped to bring the audited 2020/21 Statement of Accounts to this Committee meeting for approval, this has not been possible due to the ongoing delays in Deloitte's audit of the Berkshire Pension Fund accounts. It is anticipated that the Statement of Accounts will be ready for sign off at the next Committee meeting in January 2023.
- 3.2 Attached as **Appendix A** is EY's Audit Planning Report which sets out the methodology for the audit of the 2021/22 Statement of Accounts.
- 3.3 Representatives from EY will attend the meeting to present their report and answer any questions.
- 3.4 Public Sector Audit Appointments (PSAA) have announced the outcomes of their procurement for audit services for opted-in bodies from 2023/24 onwards.

- 3.5 In summary, they have offered contracts to six suppliers: Grant Thornton, Mazars, EY, KPMG, Bishop Fleming and Azets Audit Services.
- 3.6 The bid prices that were received from the procurement exercise reflect a significant increase compared to the previous procurement in 2017. At this stage PSAA's advice to bodies is to anticipate a major re-set of total fees for 2023/24 involving an increase of the order of 150% on the total fees for 2022/23. For the Authority this would mean a potential increase from £33,305 to £83,262.
- 3.7 PSAA appreciates that the extent of this likely increase in audit fees will pose a significant funding challenge for local bodies already facing a daunting range of financial pressures. They have raised this with Department for Levelling Up, Housing and Communities (DLUHC) for consideration.

#### **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 Potential fee increases are set out in section 3.6 of the report.

#### **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.

#### **11. BACKGROUND PAPERS**

- 11.1 None.

**12. APPENDICES**

12.1 Appendix A – EY Audit Planning Report

**13. CONTACT DETAILS**

13.1 Conor Byrne - Head of Finance and Procurement  
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