



**Hampshire
& Isle of Wight**
FIRE & RESCUE AUTHORITY

HIWFRA Standards and Governance Committee

Purpose: Noted

Date: **18 MARCH 2024**

Title: **EY AUDIT PLANNING REPORT 2023/24**

Report of Chief Financial Officer

SUMMARY

1. The Authority's external auditors produce an audit planning report setting out the proposed approach and scope for the annual audit of the accounts. This is attached at Appendix A for 2023/24 and will be presented by EY.
2. The audit of the 2023/24 accounts is impacted by the national audit backlog and the proposals currently under consultation to address this. As the consultation is still in progress the final impact is still to be confirmed however the plan identifies a target date of November 2024 to complete the audit of the 2023/24 accounts.

RECOMMENDATION

3. That the audit planning report for 2023/24 from EY presented at Appendix A be noted by the HIWFRA Standards and Governance Committee.

BACKGROUND

4. The Authority is required by the Accounts and Audit Regulations to produce an annual statement of accounts and for these accounts to be externally audited.
5. The external audit is carried out by EY, the Authority's appointed auditors under the current contract with Public Sector Auditor Appointments (PSAA) the national appointing person for principal local government and police bodies for audits.
6. The audit of the 2023/24 accounts is impacted by the national audit backlog and the proposals currently under consultation to address this. This issue is

explained in further detail in the audit planning report from EY and within the separate agenda from the Chief Financial Officer on the proposals and the potential impact on the Authority.

7. The auditor's audit planning report for 2023/24 sets out the proposed approach and scope and is attached at Appendix A.

SUPPORTING OUR SAFETY PLAN AND PRIORITIES

8. Ensuring that funding is appropriately accounted for is vital for all public sector organisations. The accounts and audit process is an important pillar in this and helps provide transparency, accountability and assurance to members of the public on the Authority's financial arrangements in support of the delivery of the Safety Plan.

RESOURCE IMPLICATIONS

9. The fees for external audit are set by Public Sector Audit Appointments (PSAA) Ltd, the national appointing person for principal local government and police bodies for audits. A scale fee is set by PSAA based on known audit requirements and the auditor is then able to propose changes to the audit fee (a 'scale fee variation') where audit requirements have changed.
10. The audit of the accounts for 2023/24 is the first under the new five year contract and includes a significant increase in audit fees. The higher scale fee has been built into the budget, although there is a risk of higher than budgeted costs if additional audit work is required that PSAA determine is outside of that covered by the scale fee. This will not be known fully until the audit is completed but is likely to include work associated with the new auditing standards ISA 315 *Identifying and assessing the risk of Material Misstatement*.

IMPACT ASSESSMENTS

11. This report presents the external auditor's audit planning report for 2023/24.

LEGAL IMPLICATIONS

12. The Accounts and Audit Regulations set out that the Authority's requirements in relation to its draft and audited accounts. The CIPFA Code of Practice on Local Authority Accounting sets out how the Authority must prepare its accounts.

CONCLUSION

13. The audit planning report from EY for 2023/24 is set out at Appendix A.

APPENDICES

Appendix A: EY audit planning report for 2023/34

Contact: Catherine Edgecombe, Chief Financial Officer,
Catherine.edgecombe@hants.gov.uk 03707 796214