



**HAMPSHIRE
FIRE AND
RESCUE
AUTHORITY**

Purpose: Decision

8 MARCH 2018

EXTERNAL AUDIT PLANNING REPORT

Report of Chief Officer

EXECUTIVE SUMMARY

1. Attached to this report, in appendix 1, is the External Audit Planning report for the year ended March 31, 2018. Its purpose is to provide the Committee with a basis to review the proposed audit approach and scope for the 2017-18 audit in accordance with the requirements of the Local Audit and with Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements. It is also to ensure that the audit is aligned to the Committee and Service's expectations.
2. The Plan sets out the proposed audit approach and scope of the work. It explains how key risks are assessed and outlines the planned audit strategy in response to those risks. It also reports the fee to be charged for this work.
3. The Annual Audit Letter in Appendix 2 provides the Committee with a summary of the Audit findings for the year 2016/17. The External Auditor gave an unqualified opinion on the Authority's financial statements and concluded that it had put in place proper arrangements to secure value for money in the use of its resources.

BACKGROUND

4. The Plan details the proposed work to be undertaken by Ernst & Young for the audit of the financial statements and the conclusion on the Authority's arrangements to secure economy, efficiency and effectiveness. It details how the Plan is developed using a risk-based approach to audit planning. It sets out the method used to gain assurance on key controls, and how reliance is placed on the work of internal audit.

5. The Plan explains that a conclusion on the Authority's arrangements to secure economy, efficiency, and effectiveness will be produced, and details the criteria upon which this will be based.
6. Appendix 1 provides members with details of the communications that must be provided to those charged with the governance of the Authority.
7. The fee for the audit will be £36,225 as set out in appendix 1.

SUPPORTING OUR SERVICE PLAN AND PRIORITIES

8. Good financial management is essential to enable the Service to achieve its plans and priorities and the audit results report provides external confirmation around the quality and content of the final accounts and the overall financial resilience of the Authority.

CONSULTATION

9. No consultation is required for this report as it is a purely factual document. However, as the report states, one of its purposes is to explain the communications required with the Standards and Governance Committee.

RESOURCE IMPLICATIONS

10. There are no direct resource implications contained within this report, but appropriate financial resources have been made available to fund the estimated cost of the 2016/17 audit fee of £36,225.

LEGAL IMPLICATIONS

11. It is a legal requirement that the Statement of Accounts is approved by those charged with governance and is then independently signed off by external audit.

PEOPLE IMPACT ASSESSMENT

12. There are no direct impacts on people because of this report.

OPTIONS

13. This report deals with the audit results report from the external auditor, there are therefore no options for consideration in this report.

RISK ANALYSIS

14. Areas of risk are identified by the auditor as part of the planning process and examination of these areas form part of the formal audit and the results are reported in Appendix 1.

RECOMMENDATIONS

That the Committee

15. Receives and considers the External Audit Plan for 2017/18 and considers any recommendations for the Full Authority.
16. Notes the Annual Audit Letter for 2016/17.

APPENDICES ATTACHED

Appendix 1 – Hampshire Fire and Rescue Authority Audit planning report 2017/18

Appendix 2 - Hampshire Fire and Rescue Authority Annual Audit Letter for the year ended 31 March 2017

BACKGROUND DOCUMENTS

None

Contact:

Rob Carr, Chief Finance Officer, Rob.Carr@hants.gov.uk, 01962 847508