

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

AUDIT AND RISK COMMITTEE

27 JULY 2020

1. **AUDIT PLAN 2019/2020**

Joint report of the Chief Fire Officer and Treasurer

RECOMMENDED

THAT the Committee approve Grant Thornton's Audit Plan (Appendix A) and Audit Plan Update (Appendix B) to enable the delivery of the audit of financial statements and the value for money conclusion 2019/20.

2. **PURPOSE OF REPORT**

The purpose of the report is to seek Committee approval of Grant Thornton's Audit Plan. The plan (Appendix A) and an update (Appendix B) sets out the audit work Grant Thornton will undertake in respect of the audit of the Authority's financial statements and the delivery of its value for money conclusion on the Authority's arrangements to secure economy, efficiency and effectiveness.

3. **BACKGROUND**

3.1 The Audit Plan 2019/20 sets out the audit work that Grant Thornton propose to undertake and the key deadlines and milestones associated with the delivery of this work. The plan has been developed using a risk-based approach and considers the risks relevant to both the audit of accounting statements and the value for money conclusion.

3.2 The Code requires Grant Thornton to consider whether the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VFM) conclusion.

The National Audit Office (NAO) has issued guidance for auditors on value for money work for 2019/20. The guidance states that for local government bodies, auditors are required to give a conclusion on whether the Authority has proper arrangements in place.

The guidance identifies one single criterion for auditors to evaluate:

“In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people”.

- 3.3 The Accounts & Audit Regulations 2015 require that the accounts be submitted to Members for approval by the end of July. However, for 2019/20 only the Regulations have been amended by the Accounts & Audit (Coronavirus) (Amendment) Regulations 2020. The amendments to the Regulations were made in response to the unprecedented situation across the UK relating to COVID-19 and the need to reduce the pressure on all Authorities to comply with legal deadlines. As such, these Regulations provide the Authority with additional time to complete the 2019/20 audit, given the likely impact of the COVID-19 virus on the availability of staff and auditors to complete the audit process within current deadlines due to sickness or redeployment.
- 3.2 The deadline to publish the Authority’s unaudited 2019/20 Statement of Accounts has been changed from 31 May 2020 to 31 August 2020 with the deadline to publish the audited accounts being pushed back from 31 July 2020 to 30 November 2020.
- 3.3 The plan sets out the key phases and activities for the delivery of the audit work. All reports arising from this audit work will be discussed and agreed with appropriate officers prior to submission to Members.
- 3.4 Representatives from Grant Thornton will be in attendance at the Audit and Risk Committee.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required as the matters contained in this report do not relate to a policy change.

5. **LEGAL IMPLICATIONS**

The production of the Audit Plan complies with the statutory requirements set out within the Local Audit and Accountability Act 2014 and in accordance with the Code of Practice issued by the National Audit Office.

6. **FINANCIAL IMPLICATIONS**

The scale fee for undertaking West Midlands Fire and Rescue Authority's external audit work for 2019/20 was set at £29,750, although the Audit Plan highlighted a fee variation (increase) of £5,750 on this figure.

BACKGROUND PAPERS

None.

The contact officer for this report is Wayne Brown, Deputy Chief Fire Officer, 0121 380 6907.

PHIL LOACH
CHIEF FIRE OFFICER

MIKE GRIFFITHS
TREASURER