

report

Meeting	NOTTINGHAMSHIRE AND CITY OF NOTTINGHAM FIRE AUTHORITY		
Date	30 APRIL 2004	agenda item number	6

REPORT OF THE CHIEF FIRE OFFICER

2002/2004 EXTERNAL AUDIT SERVICE PLAN UPDATE

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to allow the External Auditors, Mssrs PriceWaterhouseCoopers to present their external audit plan to the Fire Authority and to update the Authority on any changes to their initial risk assessment .

2 BACKGROUND

- 2.1 The external auditors presented their original service plan for the period 2002 to 2004, to the Authority on 1st August 2003. This plan covered a 17 month period in order to harmonise the financial years of all local government and health bodies.
- 2.2 The Auditors responsibilities are set out in the Code of Audit Practice and in order to comply with this it is necessary for the auditors to review the risks contained in the original plan, and to update the Authority accordingly.
- 2.3 The full Audit Service Plan Update is attached to this report in full, and therefore no detail is included within the main body.

3. GENERAL OVERVIEW

- 3.1 The auditors point out a number of areas of changing risk within the Authority and set out their strategy for addressing these within the audit process. Such issues include the introduction of the Prudential Code for Capital Expenditure, new accounting for retirement benefits, the new accounting system, Capital Accounting and final audit.
- 3.2 The report also details the auditors' fees for the two years 2002/3 and 2003/4 and sets out their assumptions in arriving at these fees.

4 PERSONNEL IMPLICATIONS

- 4.1 There are no specific personnel implications which arise from this report.

5. RISK MANAGEMENT IMPLICATIONS

- 5.1 The process of external audit is of itself a significant risk control measure in that the external auditors give an independent view of the adequacy and accuracy of the accounts of the authority and also wider issues such as governance, best value and latterly CPA assessments. This updated risk assessment gives the authority assurance that the external auditors are considering the latest position with regard to emerging risk and planning their work accordingly.

6. FINANCIAL IMPLICATIONS

- 6.1 The financial implications set out within the external auditors report relate to the audit fees for 2002/3 and 2003/4 which are £80,000 and £85,000 respectively. Budget provision already exists for these fees.

7 RECOMMENDATION

- 7.1 That members receive and note the external auditors report.

Paul Woods
Chief Fire Officer