



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority
Finance and Resources Committee

EXTERNAL AUDITOR APPOINTMENT FROM 2018/19

Report of the Chief Fire Officer

Date: 13 October 2017

Purpose of Report:

To inform Members of the appointment of Ernst & Young LLP as external auditors to the Authority from 2018/19.

CONTACT OFFICER

Name : Becky Smeathers
Head of Finance

Tel : 0115 967 0880

Email : becky.smeathers@notts-fire.gov.uk

**Media Enquiries
Contact :** Therese Easom
(0115) 967 0880 therese.easom@notts-fire.gov.uk

1. BACKGROUND

- 1.1 The requirement for local authority bodies, including Fire and Rescue Authorities, to have accounts audited by a local external auditor is set out in the Local Audit and Accountability Act 2014.
- 1.2 The Act served to dismantle the previous audit regime for local authority bodies and abolish the Audit Commission, and put in place new arrangements. These include the requirement for local authority bodies to re-appoint local external auditors at least once in every five years.
- 1.3 Public Sector Audit Appointments Limited (PSAA) is an independent company incorporated by the Local Government Association in 2014. The PSAA has delegated powers to appoint auditors to local government and other public bodies, to set audit fees and to manage contracts with audit firms. This has enabled transitional arrangements to be put in place, with the PSAA setting current audit fees and managing existing audit contracts.
- 1.4 Members agreed at the meeting of the full Fire Authority on 23 September 2016 to take part in the collaborative Public Sector Audit Appointments approach and this report brings forward the outcome of that work.

2. REPORT

- 2.1 For audits of the accounts from 2018/19 Public Sector Audit Appointments (PSAA) are responsible for appointing an auditor to principal local government and police bodies that have chosen to opt into its national auditor appointment arrangements.
- 2.2 Nottinghamshire Fire and Rescue Authority has opted into PSAA's auditor appointment arrangements. Ernst & Young LLP was successful in winning a contract in the procurement process and have been appointed as the auditors to the authority.
- 2.3 Ernst & Young LLP have also been appointed as auditors to other fire and rescue services. There are no issues in respect of independence or any other reasons that would have prevented the appointment of Ernst & Young LLP as auditors.

3. FINANCIAL IMPLICATIONS

It is expected that the cost of External Audit will reduce under the new regime. The procurement process has achieved on average 18% saving in costs over all sectors, but final charges to individual authorities have not yet been agreed.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

There are no human resources or learning and development implications arising from this report.

5. EQUALITIES IMPLICATIONS

An equality impact assessment has not been undertaken because there are no equality implications arising from the procurement process.

6. CRIME AND DISORDER IMPLICATIONS

There are no crime and disorder implications arising from this report.

7. LEGAL IMPLICATIONS

The Accounts and Audit Regulations 2015 sets out the requirements for the annual external audit. This procurement process ensures that these requirements are met.

8. RISK MANAGEMENT IMPLICATIONS

The audit of the statement of accounts and Value for Money assessment form part of the process for ensuring that financial risk is managed in an appropriate way.

9. COLLABORATION IMPLICATIONS

The joint procurement process with other public bodies through the use of PSAA is a collaborative process in itself which should result in savings to the Authority. The appointment of Ernst & Young LLP to ourselves and other neighbouring Fire Authorities and Police Constabularies provides opportunities for joint working on a local level.

10. RECOMMENDATIONS

That Members note the appointment of Ernst & Young LLP as the Authority's auditors from 2018/19 for five years.

11. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)

None.

John Buckley
CHIEF FIRE OFFICER