

EAST SUSSEX FIRE AUTHORITY

Meeting	Scrutiny & Audit Panel
Date	11 November 2021
Title of Report	External Auditor's Audit Results Report (ISA 260) and Statement of Accounts 2020/21
By	Duncan Savage, Assistant Director Resources / Treasurer
Lead Officer	Parmjeet Jassal, Interim Finance Development Manager

Background Papers 28 September 2021 – Scrutiny & Audit Panel - External Auditor's Audit Results Report (ISA 260) and Statement of Accounts 2020/21

Appendices

1. External Auditor's Audit Results Report (ISA260)
2. 2020/21 Statement of Accounts
3. Letter of representation

Implications

CORPORATE RISK		LEGAL	✓
ENVIRONMENTAL		POLICY	
FINANCIAL	✓	POLITICAL	
HEALTH & SAFETY		OTHER (please specify)	
HUMAN RESOURCES		CORE BRIEF	

PURPOSE OF REPORT To present the results of the External Auditor's Results Report (ISA 260) and to report an unqualified opinion on the Authority's 2020/21 Statement of Accounts.

EXECUTIVE SUMMARY The Authority's External Auditor, Ernst & Young (EY), is obliged to produce an Audit Results Report (ARR - ISA 260) which reports formally on the outcome of the audit of the Authority's financial statements. The ISA 260 is attached as Appendix 1, as a separate document

EY has completed its audit of the Authority's financial statements for the year ended 31 March 2021 and expects to issue an unqualified audit opinion on the financial statements. In completing its audit work since the previous ARR was presented to this Panel on 28 September 2021 EY has identified the following issues:

- IAS19 report for Fire Fighters Pension Scheme – the service cost was underestimated due to the actuary excluding the allowance for future injury awards which required an adjustment of £767,000.
- IAS19 report for Local Government Pension Scheme – in the previous report, the actuary used the provisional asset value (the assets) despite us choosing the option to use final figures. The updated report now uses the final asset value figure which has resulted in an increase in asset values of £334,000

The Authority's financial statements have been updated to reflect the following technical accounting adjustments which do not impact on the general fund:

- £767,000 (cost in I&E statement)
- £334,000 (increase in pension assets)

It is pleasing to note that EY has made no recommendations for improvement as a result of its audit of the accounts and raised no specific issues which require a response in the Letter of Representation.

The ISA 260 confirms that the Authority has in place proper arrangements for securing value for money.

The audit process this year has been a lengthy and challenging one for both the EY and ESFRS teams, due both to the ongoing impact of Covid-19 and also to the additional activity resulting from regulatory changes.

A revised set of accounts is appended as Appendix 2. The letter of representation is appended as Appendix 3.

Since the last meeting of the Panel, we have received confirmation from Public Sector Audit Appointments (PSAA) of their determination of EYs scale fee variation for 2019/20. EY had submitted scale fee variations totalling £31,895 but PSAA has approved a variation of £8,700. This figure is within the amount charged to the 2020/21 accounts. EY has yet to confirm its scale fee variation for 2021/22.

RECOMMENDATION

The Panel is asked to:

- i. note the External Auditor's Audit Results Report (ISA 260);

- ii. authorise the Assistant Director Resources / Treasurer and the Panel Chair to sign the formal letter of representation to the External Auditor; and
 - iii. approve the 2020/21 Statement of Accounts for publication.
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