

East Sussex Fire Authority response to PSAA fee consultation September 2022

We welcome the opportunity to comment on PSAA's proposed fee scales for 2022/23.

We wish to make the following comments before considering the detail of the consultation:

- This Authority like all local authorities faces significant financial challenges both in the current year and future years due to the uncertainty regarding our funding settlement and the significant pressures on costs due to current high levels of inflation. For that reason, any increase in costs that adds to those pressures is unwelcome.
- The Government has provided, and has committed to provide until 2024/25, additional funding of £15m to the sector to reflect all new burdens resulting from the Redmond Review and the Government's response to it. However, the approved fee scale variation for 2020/21 for this Authority at £18,548 already exceeds the grant allocation of £12,212 by 52%.
- Any fee scale variations need to be proportionate to the size and complexity of the audited body and justifiable based on the additional work necessary to meet regulatory or code changes.

We are broadly supportive of the approach proposed by PSAA

Approved fee variations which relate to audit work of an ongoing nature - this proposal appears reasonable in principle but the key will be the level by which the fee is varied. We welcome the proposal that PSAA will provide the opportunity for audited bodies to challenge their fee scales for 2022/23. To ensure that this is a meaningful exercise and for reasons of transparency PSAA should publish its proposed fee scales for each audited body alongside the name of their appointed auditor. This will allow comparison of fee scales across sectors. This must not become an opportunity for appointed auditors to recover any losses resulting from their original bid price.

Changes in local audit requirements - whilst we understand why PSAA may feel unable to confirm fee variations at this stage, we would have preferred to have the certainty of these factors being included in the fee variation. If this is not possible then our view is that PSAA should continue to publish minimum additional fee ranges for vfm commentary and ISA 540, and should publish new minimum additional fee ranges for any other changes that are confirmed e.g. ISA 315.

Inflation - we welcome PSAA's proposal to fund the additional cost of inflation from its surplus. We would welcome confirmation that this will cover both the fee scale and any additional charges based on hourly fee rates.