

# Bedfordshire Fire and Rescue Authority

External Audit Update Report

March 2018

Ernst & Young LLP



Building a better  
working world



Ernst & Young LLP    Tel: + 44 1582 643000  
400 Capability Green    Fax: + 44 1582 643001  
Luton    ey.com  
LU1 3LU

Audit and Standards Committee  
Bedfordshire Fire and Rescue Authority  
Southfields Road  
Kempston  
Bedford  
MK42 7NR

7 March 2018

Dear Members

## **External Audit Update**

We are pleased to attach our Audit Update Report. This report summarises the work we have undertaken to date and our plans for the remainder of the 2017/18 year. The purpose of the report is to provide the Audit and Standards Committee with an overview of the stage we have reached in our 2017/18 audit and ensure our audit is aligned with the Committee's service expectations.

We welcome the opportunity to discuss this report with you as well as understand whether there are other matters which you consider may influence our audits.

Yours faithfully

Debbie Hanson  
Ernst & Young LLP  
United Kingdom

Enc.

## Contents

<b>1. Summary</b> .....	Error! Bookmark not defined.
1.1 Financial statements .....	1
1.2 Value for money conclusion .....	2
<b>2. Timetable</b> .....	<b>3</b>
2.1 Audit timeline .....	3

# 1. Summary

## 1.1 Financial statements

We are required to give an audit opinion on whether the financial statements of Bedfordshire Fire and Rescue Authority give a true and fair view of the financial position as at 31 March 2018 and of the income and expenditure for the year then ended.

We adopt a risk based approach to the audit and, as part of our ongoing continuous planning, we review your published Authority and committee minutes and papers along with the information we have on the wider local government environment. We met with the Authority's Chief Fire Officer and Treasurer in January as part of our initial planning discussions and in order to develop our understanding of the challenges and risks you are facing to inform our work on your financial statements and value for money arrangements.

Our interim audit visit is now concluded. We have:

- ▶ Obtained data for the period to the end of December for both payroll and the general ledger to facilitate early transaction testing.
- ▶ Updated our understanding of the Authority's material income and expenditure systems by walkthrough testing.
- ▶ Completed the programme of early testing discussed with the Authority's Finance team in November 2017 as set out in the table below.

Early testing	EY Update
Income testing period P1-9	Income (non precept/grant) is not material at interim so no testing undertaken.
Expenditure P1-9	Interim work virtually complete, awaiting some evidence
Payroll P1-9	Interim work complete.
Accounting policies	Interim work complete.
PPE - Additions P 1-9	Interim work complete.
PPE- Disposals	No material disposals at interim.
PPE – Existence	Interim work complete.
PPE – Valuation	Valuation report obtained. Enquiry made to NPS on basis for indexation and some other queries re Kempston site.
Opening balances	Interim work complete.
Related party transactions	Some declarations from Authority members outstanding at interim date.
Exit Packages 1-9	No exit packages paid as at interim.
Grant income	Interim work complete
Precepts	Interim work complete.
Significant contract review	Interim work complete.
NNDR schedule of monthly income	Interim work complete.

Early testing	EY Update
Payroll starters and leavers	Interim work, supporting evidence provided to be reviewed.
Firefighters' pension fund lump sum testing	Interim work complete
Firefighters' pension fund transfers	There were no transfers at interim.
Journals P1-9	Interim work complete.

There were no matters arising from this work that we need to bring to the attention of the Committee.

We are due to return to site in June to undertake our work on the audit of the draft statement of accounts.

## 1.2 Value for money conclusion

The overall criterion for 2017/18 is:

*"In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people."*

The sub criteria which underpin this, and which are considered in arriving at the overall conclusion are:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties.

As set out in our Audit Planning Report, which is also on this agenda, we do not consider that there is a significant risk in respect of our value for money conclusion.


## 2. Timetable

### 2.1 Audit timeline

We set out below a timetable showing the key stages of the audit, and the deliverables we will provide to you.

We will provide formal reports to the Audit and Standards Committee throughout our audit process as outlined below.

Audit phase	Timetable	Deliverables
High level planning:	Already issued	▶ Audit Fee Letter
Risk assessment and setting of scope of audit	January/March 2018	▶ Audit Plan
Testing of routine processes and early substantive testing	February/March 2018	▶ Update report
Year-end audit	June 2018	▶ Report to those charged with governance ▶ Audit report on the financial statements and value for money conclusion ▶ Audit completion certificate
Reporting	July 2018	▶ Annual Audit Letter



In addition to the above formal reporting and deliverables we provide practical business insights and updates on regulatory matters through our Sector Briefings.

**EY** | Assurance | Tax | Transactions | Advisory

Ernst & Young LLP

© Ernst & Young LLP. Published in the UK.  
All Rights Reserved.

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited.

Ernst & Young LLP, 1 More London Place, London, SE1 2AF.

[ey.com](https://www.ey.com)