

Report to: Governance and Audit Committee

Date: 23 July 2019

Subject: External audit progress report

Director(s): Angela Taylor, Director, Corporate Services.

Author(s): Angela Taylor/ Jon Sheard

1. Purpose of this report

- 1.1 To provide an update on external audit matters that have occurred since the last meeting.

2. Information

- 2.1 A separate report on this agenda covers the work that Mazars have undertaken for their external audit of the annual accounts.
- 2.2 On 29 March 2019 Public Sector Audit Appointments (PSAA) confirmed the outcome of the fees consultation for the 2019/20 audits as follows:

‘Following our recent consultation, Public Sector Audit Appointments (PSAA) has published the [fee scale for the audit of the 2019/20 accounts](#) of opted-in principal local government and police bodies.

PSAA has set the 2019/20 fee scale on the basis that individual scale audit fees for all opted-in bodies are maintained at the same level as 2018/19 unless there are specific circumstances which require otherwise. This continues to give opted-in bodies the benefit of the cost savings achieved in the audit procurement, and continues the practice of averaging firms’ costs so that all bodies benefit from the same proportionate savings, irrespective of the firm appointed to a particular audited body. It also passes on the benefit of economies which PSAA has made in its own operating costs.

Auditors will undertake their work under the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office on behalf of the Comptroller and Auditor General, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditor’s work.’

2.3 For the Combined Authority this means that the audit fee remains unchanged at £25,964. This has been confirmed in the audit fee letter received in April from Mazars, attached as **Appendix 1** that also sets out the assumptions with regard to the audit work involved and reconfirms their commitment to deliver a quality audit service under the terms of their contract.

3. Financial Implications

3.1 As set out in the report.

4. Legal Implications

4.1 There are no legal implications directly arising from this report.

5. Staffing Implications

5.1 There are no staffing implications directly arising from this report.

6. External Consultees

6.1 No external consultations have been undertaken.

7. Recommendations

7.1 That the Committee note the outcome of the 2019/20 fees consultation and the fee letter from Mazars.

8. Background Documents

None.

9. Appendices

Appendix 1 – Audit fee letter 2019/20 from Mazars