Report to:	Governance and Audit Committee
Date:	12 May 2020
Subject:	**External audit progress report**
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1. Purpose of this report

1.1 To present Mazar's external audit progress report to the Committee.

1.2 To note an update from Public Sector Audit Appointments Limited (PSAA) regarding information on audit planning and audit fees.

2. Information

2.1 The external auditors Mazars have now undertaken their interim audit fieldwork. They have provided as **Appendix 1** their External Audit Progress Report which sets out their work to date and provides further information on useful publications. Mazars will be available at the meeting to present the report and take any questions from members.

2.2 The consultation on audit fees concluded on 6th March 2020. At the time of writing this report the overall findings and proposals have yet to be published. Due to the good level of external audit services provided to the Combined Authority and the assurances provided by Mazars at these meetings, it was agreed with the Chair of this Committee not to participate in the consultation on this occasion. Attached at **Appendix 2** is a recent update from Public Sector Audit Appointments Limited (PSAA) for information which includes information on audit planning and audit fees. The Combined Authority discussions are well advanced with its own auditors, Mazars, and no issues have arisen and work going as planned.

2.3 **<u>Update 1 May 2020</u>**

Attached at **Appendix 3** is a recent letter from PSAA regarding the audit fee, along with some additional information.

2.4 The fee is set at £25,964, as expected, and same as the previous year. This sum has been included in the budget approved by the Combined Authority in February 2020.

2.5 Due to the recent Covid-19 outbreak, public authorities have been granted deadline extensions for the annual accounts, with final / audited accounts due by 30th November 2020.

2.6 Though the deadline is understood and welcomed, the Combined Authority, with support from the external auditors Mazars, intend to work to the original timescales and aim to present the final audited accounts by 31st July 2020.

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 consider the external audit progress report at Appendix 1.

7.2 That the Committee note the PSAA update at Appendix 2 and Appendix 3.

8. Background Documents

None.

9. Appendices

Appendix 1 – External audit progress report

Appendix 2 – PSAA update to Finance Directors (28/2/2020)

Appendix 3 – PSAA update to Section 151 Officer and Audit Committee Chair (30/4/2020).