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**Report to:** Governance and Audit Committee

**Date:** 30 September 2021

**Subject:** External audit progress report

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## 1. Purpose of this report

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

## 2. Information

### Annual Accounts 2020/21

- 2.1 Public authorities were granted a deadline extension for the final annual accounts (financial statements) to 30<sup>th</sup> September 2021. The accounts and audit completion report are presented on a separate report on today's agenda. Mazars will be available at the meeting to present the work they have undertaken

### Other External Updates - PSAA

- 2.2 The Public Sector Audit Appointments Ltd (PSAA), which operates on a not for profit basis, published its final 2020/21 accounts on 20<sup>th</sup> August 2021. A surplus of £5.6 million had been made and it was able to distribute this total to opted-in eligible bodies such as the Combined Authority. An amount of £11,450 was received earlier in the month, of which £6,330 related to the former Office of the Police and Crime Commissioner.
- 2.3 For information the PSAA full accounts can be found [here](#).
- 2.4 PSAA published a [report](#) on 27<sup>th</sup> August 2021 detailing responses to its recent consultation plans for the second appointing period for the national scheme for local auditor appointments. The important consultation gathered feedback on proposals for the national scheme of local auditor appointments from 2023/4, consulting with eligible bodies and other stakeholders on the draft prospectus for the national scheme for local auditor arrangements from April 2023, and

with the audit services market on important features of its procurement strategy. **Appendix 1** summarise the Consultation Findings (Headlines).

- 2.5 PSAA reported that they had received a good response. In most of the areas that PSAA consulted on which were within their remit, there was an overall response of support for the national scheme. The PSAA shared the key consultation findings and the specific areas requiring urgent action with the new Local Audit Liaison Committee (Liaison Committee), which is chaired by MHCLG and attended by senior representatives of a range of local audit stakeholders. The Committee agreed the need for a variety of actions, sometimes by individual organisations but more often collectively across the system, to tackle identified issues which will support a more stable, more resilient, and more sustainable local audit system. The Liaison Committee will oversee those actions being taken forward and future relevant updates will be brought to this Committee.
- 2.6 PSAA confirmed that they will be revisiting a few areas of their proposals that relate to; their approach to social value in the evaluation of tenders; contract management and information and communication with eligible bodies, more details of which can be found in the report.
- 2.7 PSAA is currently finalising the prospectus for the national scheme from April 2023 and the procurement strategy. Both documents will be published at [www.psa.co.uk](http://www.psa.co.uk) in late September 2021. Eligible bodies have until **Friday 11<sup>th</sup> March 2022** to formally respond and accept the **opt-in invitation**. Under the Regulations this is a decision that needs to be taken by Full Council (or for Corporations sole, by the holder of that office). A report will be brought to the next meeting of this Committee to enable it to make a recommendation to the Combined Authority ahead of the March 2022 deadline.

### **3. Tackling the Climate Emergency Implications**

- 3.1 There are no climate emergency implications directly arising from this report.

### **4. Inclusive Growth Implications**

- 4.1 There are no inclusive growth implications directly arising from this report

### **5. Financial Implications**

- 5.1 As set out in the report.

### **6. Legal Implications**

- 6.1 There are no legal implications directly arising from this report.

### **7. Staffing Implications**

- 7.1 There are no staffing implications directly arising from this report.

**8. External Consultees**

8.1 No external consultations have been undertaken.

**9. Recommendations**

9.1 That the Committee consider the information provided on external audit matters.

**10. Background Documents**

None.

**11. Appendices**

Appendix 1 – PSAA Consultation Findings (headlines)