

Report to: Governance and Audit Committee

Date: 28 July 2022

Subject: External audit progress report

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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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 – Final Audit Update

- 2.1 The audit completion report was presented to the last Committee meeting on 13 January 2022. The final audit certificate was pending due to awaiting clarification from Government on the requirement to complete Whole of Government Accounts. This further instruction is still awaited.

External Audit 2021/22 Timetable & Approach

- 2.2 The transfer of the Police and Crime functions to the Combined Authority from 10 May 2021 introduces new complexities to the preparation of the annual accounts, introducing both group accounts and consolidation, as well as a partial year for West Yorkshire Police. The Combined Authority audit for 2020/21 was one of the few that achieved the 30 September deadline but in recognition of the additional complexities for the 2022/22 accounts it has been

agreed that audit finalisation will take place in November 2022 and not September 2022, adopting the additional time extension that has been made available by auditors. The finance teams from the Combined Authority and West Yorkshire Police are working well together, having prepared template accounts and now finalising the content for them but this has been complicated by the extended time taken for the previous auditors to finalise their position on the accounts for West Yorkshire Police to 10 May 2021 which were only approved at the end of April 2022.

- 2.3. An audit progress report from Mazars is attached at **Appendix 1** for information, setting out the approach to the audit, the timing and the key risks. This is in line with previous discussions at this Committee and Mazars will be in attendance at this meeting to talk through the document and respond to any questions. At the time of publication of these papers the appendix is draft and a final version will be available by the time of the meeting. Mazars will be undertaking the audit of both the Chief Constable accounts and those of the Combined Authority for 2021/22.
- 2.4. As part of Mazars routine audit work a number of responses are required from management and those charged with governance with regard to fraud and litigation. The letter to this Committee is attached as **Appendix 2** and members are asked to consider this and note that a response is required prior to 30 September 2022. It is proposed that a response be drafted over the summer, shared with members via email and final approval then delegated to the Chair.

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 There are no financial directly arising from this 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 To note the external audit activities.
- 9.2 To consider the External Audit Progress report from Mazars.
- 9.3 To consider the letter from Mazars attached as Appendix 2.

10. Background Documents

None.

11. Appendices

Appendix 1 External Audit Progress report

Appendix 2 Auditor letter to those charged with governance