

**Report to:** Governance and Audit Committee

**Date:** 24 July 2023

**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

### 2021/22 Audit of Accounts

- 2.1 Members considered at their last meeting Mazar's audit report on the 2021/22 annual accounts. At that point audit work was substantially complete and the Committee approved the accounts, with any final changes to be shared with the Committee once the final points were cleared.
- 2.2 The Committee is aware of the delays nationally to completing local government audits. The delay has meant that the results of the triennial valuation of the Local Government Pension Scheme have been published prior to the conclusion of most 2021/22 accounts, including those of the Combined Authority. The triennial valuation in effect updates the estimated figures produced by the Pension Fund for use at 31 March 2022 and CIPFA has now ruled that bodies need to consider whether there is a material difference between the figures. This means final audited approval to 2021/22 accounts is paused – nationally – while this work is undertaken.

- 2.3 The statutory accounts for the Combined Authority are consolidated to include the accounts for West Yorkshire Police. Both organisations are in the process of updating the accounts for the revised disclosures arising from the additional information from the triennial valuation. Mazars are intending to address over the coming weeks the revised pension position alongside the minor matters outstanding that were reported previously. The adjustments to the pension disclosures will have no impact on the results for the year.
- 2.4 It is proposed that final revised accounts and updated report from the auditors be shared with the Committee when available. If there are material changes these will be brought to the September meeting for consideration and approval. The auditors will be in attendance at the meeting and will provide a verbal update.

#### 2022/23 Audit of Accounts

- 2.5 The delay to the conclusion of the 2021/22 audits means that meaningful work has not yet progressed on the audit of the 2022/23 accounts. It was always intended this would not be able to take place until late summer/autumn and at this stage Mazars are still considering their approach to the audit and the usual planning document will be available for the next meeting of the Committee.
- 2.6 The statutory deadline for production of the annual accounts for 2022/23 was reinstated to be 31 May. In previous years the timescales were relaxed to 30 September to recognise the practical challenges resulting from Covid-19. Despite concerns being raised through the consultation process to change the date the decision was made to reinstate the 31 May deadline.
- 2.7 In line with a significant number of other local government organisations the Combined Authority has focussed on responding to the need to re-consider the 2021/22 accounts and ensure accuracy and attention to detail for the 2022/23 accounts, particularly given that audit work is not likely to start for a number of months after the 31 May deadline. Draft financial statements are expected to be complete no later than the end of July and will be brought to the next meeting of the Committee along with an update on audit timescales.

### **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. Equality and Diversity Implications**

- 5.1. There are no equality and diversity implications directly arising from this report.

**6. Financial Implications**

6.1. There are no financial implications directly arising from this report.

**7. Legal Implications**

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

**8. Staffing Implications**

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

**9. External Consultees**

9.1. No external consultations have been undertaken.

**10. Recommendations**

10.1. To note the position with regard to external audit work.

**11. Background Documents**

There are no background documents referenced in this report.

**12. Appendices**

None.