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Report to: Governance and Audit Committee

Date: 12 October 2017

Subject: External Audit Report

1 Purpose

1.1 This report sets out information on external audit matters.

2 Information

- 2.1 The external auditors Mazars have completed their audit work on the annual accounts. At the last meeting Members approved the annual accounts for 2016/17 and noted that work was still required to complete the Whole of Government Accounts before the audit certificate could be issued. This work has now been completed and signed off and Mazars have provided the final certification required. This, along with the final approved annual accounts, has been published on the WYCA website in accordance with the required legislation and within the deadline of 30 September. Mazars have provided their annual audit letter, attached as appendix 1 that summarises and concludes the audit work for the year.
- 2.2 Members will recall that they recommended, and WYCA approved, the use of Public Sector Audit Appointments Ltd (PSAA) to appoint auditors in future years. PSAA confirmed that 484 of 493 eligible local authorities have elected to appoint through PSAA.
- 2.3. Since the last meeting of this Committee PSAA has completed the major procurement process to identify the firms which will carry out audits under contract to PSAA. The successful tenderers are Grant Thornton, EY, Mazars, BDO, Deloitte and a consortium of Moore Stephens/Scott-Moncrieff. These contracts will cover a five year period commencing with the audit of accounts for 2018/19. PSAA has an option to extend the contracts for a further two year period, to a total of seven years, if it chooses to do so.
- 2.4 PSAA commenced a consultation process on the specific appointment for each authority in early August which concluded on 22 September. The timing of this did not coincide with the meetings of this Committee. The proposed appointment is that of Mazars, the current auditors, who have developed a good working relationship with the Authority and this Committee. The Director, Resources, circulated this information to all members of this Committee, setting out the opportunity to respond to this proposal either positively or negatively. All Members responded and

were supportive of the re-appointment. This has been reported back to PSAA who have now confirmed the appointment.

2.5 A further consultation process is expected to start later this month which will lead to the approval of fee scales for audits of the 2018/19 accounts, the first year of the national scheme's operation. Following the procurement process PSAA estimate that a fee reduction in the order of 18% could be achieved.

2.6 Further updates will continue to be provided to this Committee.

3 Financial Implications

3.1 None arising directly from this report. Audit fees are included in the annual revenue budgets.

4 Legal Implications

4.1 None arising directly from this report.

5 Staffing Implications

5.1 None arising directly from this report.

6 External Consultees

6.1 None.

7 Recommendations

7.1 That the Governance and Audit Committee note the re-appointment of Mazars for the five year period starting 2018/19.

8 Background Documents

8.1 None.