

Director and author: Angela Taylor,
Director of Resources



Report to: Governance and Audit Committee

Date: 25 January 2018

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 advised us of a change in the key contacts for their audit work at WYCA. Steve Appleton, the Audit Senior Manager has recently retired and his role has been taken on by Mark Dalton. Mazars have also provided an update report which is attached as **Appendix 1** and Mark Kirkham, the Audit Partner, will be in attendance at the meeting to present it.

2.2 PSAA has undertaken a consultation process, from mid December 2017 to 15 January 2018 on the audit fees for the 2018/19 audits. The timing of this did not coincide with the meetings of this Committee and information was provided to this Committee by email as follows:

‘In summary Public Sector Audit Appointments Limited (PSAA) are responsible for setting the scale of audit fees for those bodies such as WYCA that have opted into the appointing person scheme. They are proposing a reduction in the audit scale fees of 23%. For WYCA this is a reduction in the current audit fee from £33,720 to £25,964.

PSAA hope to maintain this reduction for at least the next three years of the contract. They have also confirmed that this level of audit fee will still enable the auditors to carry out the required work on the 2018/19 accounts as set out in the Local Audit and Accountability Act 2014 and under the Code of Audit Practice published by the National Audit Office.’

2.3 This reduction in fees is in line with the intentions PSAA set out in their recent tendering process. The responses of the Committee to the information in 2.2 have highlighted some concern that the fall in audit fees either means the volume of work required has decreased, thereby raising questions as to whether the appropriate quality can be achieved, or whether previous years’ audit fees have been excessive. It is proposed that the Committee discuss this matter with the external auditors at this meeting.

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 update report from Mazars and the audit fee consultation.

8 Background Documents

8.1 None.