

Status of Report: Public

Meeting: Corporate Governance Committee

Date: 14 July 2021

Subject: External Audit Progress Report

Report by: The Treasurer

Author: Deputy Director of Finance, Leicester City Council

For: Information

Purpose

1. The Combined Fire Authority's (CFA's) external auditors, Mazars LLP, have requested that their Audit Progress Report be presented to the Corporate Governance Committee for consideration.

Recommendation

2. The Corporate Governance Committee is asked to note the External Audit Progress Report and the implications for the Combined Fire Authority, as set out in paragraphs 11 – 14 of the report.

Executive Summary

3. The attached report provides the Committee with an update on progress in delivering the External Auditor's responsibilities, together with a summary of recent national reports and publications. Commentary is also provided on the implications for the Combined Fire Authority.

Background

External Auditor's Progress Report

4. The attached report provides an update on progress in delivering the External Auditor's responsibilities, together with a summary of recent national reports and publications.
5. The auditor has previously reported being unable to meet the statutory timetable for the 2020/21 accounts and aiming to complete the audit by the end of November. This remains the case.
6. The main reasons are pressure in terms of recruitment and retention, together with the continued impact of the pandemic which has led to backlogs of work.
7. The auditor notes that the 2020/21 national timetable for audit completion has moved to 30 September 2021, whereas the timetable for 2019/20 was 30 November 2020.

8. Management has been informed of the details of the proposed audit timetable for the CFA. The auditor will carry out some early work on the financial statements in July 2021, with the bulk of the work to be carried out in October. The value for money work is planned for late September and October.
9. The auditor recognises that the later timetable is inconvenient for management and will coincide with other work such as financial planning. Consequently, the preliminary time in July will both make a start where possible and be used to select the samples for testing. This will mean that when work starts in October, management will have had time to gather the supporting information.
10. The second section of the report provides a summary of recent national reports and publications, which the Committee may find informative.

Implications for the CFA

11. The draft 2020/21 Statement of Accounts will be signed by the Treasurer and published during July. The public inspection period will start on or before 1 August 2021, as required by the Accounts and Audit regulations. The draft Statement will be reported to this Committee on 15 September 2021.
12. The revenue budget and capital programme outturn position will be reported to the Combined Fire Authority at its meeting on 28 July 2021.
13. The delays to the audit do however mean that the CFA will not publish the final Statement of Accounts together with the certificate or opinion of the auditor by 30 September, as required by the Accounts and Audit Regulations. Assuming the audit is completed by the end of November, the Statement of Accounts will be reported to the CFA on 15 December 2021 and published soon afterwards.
14. The Committee is asked to note that the delayed audit will place additional demands on the finance team, as the 2020/21 accounts work will remain 'live' until the end of the calendar year. There is also a risk of new post balance sheet events arising, or of the auditor requiring the revisiting of assumptions around asset valuations and pension scheme liabilities. These would require amendments to the draft Statement of Accounts.

Report Implications/Impact

15. Legal (including crime and disorder)

There are no legal implications arising directly from the report.

16. Financial (including value for money, benefits and efficiencies)

There are no financial implications arising directly from the report.

17. Risk (including corporate and operational, health and safety and any impact on the continuity of service delivery)

There are no risks arising directly from the report.

18. Staff, Service Users and Stakeholders (including the Equality Impact Assessment)

There are no staff, service user or stakeholder implications arising directly from the report.

19. Environmental

There are no environmental implications arising directly from the report.

20. Impact upon “Our Plan” Objectives

None arising directly from the report.

Background Papers

Report to Corporate Governance Committee on 10 March 2021 - External Audit Plan 2020/21 and Audit Progress Report

<https://leics-fire.gov.uk/wp-content/uploads/2021/03/item-6-annual-audit-plan-2021.pdf>

Appendix

Audit Progress Report – Leicester, Leicestershire and Rutland Combined Fire Authority

Officers to Contact

Alison Greenhill, Treasurer

alison.greenhill@leicester.gov.uk

0116 454 4001

Colin Sharpe, Deputy Director of Finance, Leicester City Council

colin.sharpe@leicester.gov.uk

0116 454 4081