

**Status of Report:** Public

**Meeting:** Corporate and Governance Committee

**Date:** 11 March 2020

**Subject:** External Audit Plan 2019/2020

**Report by:** The Treasurer

**Author:** Amy Oliver, Chief Accountant

**For:** Discussion

### **Purpose**

1. The Combined Fire Authority's (CFA's) external auditors, Mazars LLP, have requested that their Audit Strategy Memorandum for 2019/2020 (the Plan) is presented to the Corporate Governance Committee for consideration.

### **Recommendations**

2. The Corporate Governance Committee is asked to note the External Audit Plan for 2019/2020.

### **Executive Summary**

3. The plan for the 2019/2020 external audit of the CFA (attached at the Appendix) includes detail of Mazars' audit approach, significant audit risks and key judgement areas, value for money work and the scale of audit fees. Discussing the plan with Members ensures that Mazars understand Members' views and concerns and that agreement is reached on both parties' mutual needs and expectations to enable Mazars to provide the CFA with the highest level of service quality.

### **Background**

4. The Plan sets out in more detail Mazars' audit approach for the year ending 31 March 2020, including the 2019/20 final accounts audit which Mazars will undertake in June 2020. Mazars will continue to review this plan during the audit, and update it where necessary, to reflect developments at the CFA or any changes in their understanding of the issues that it faces.
5. Representatives from Mazars will be attending the meeting to answer any questions Members may have on the Plan which is attached at the Appendix.
6. The CFA's trading company 'Forge Health Limited' is subject to an external audit. For 2019/20 it is planned to use the same audit firm as was used in 2018/19. The work of Mazars will not be affected.

## **Report Implications / Impact**

### **7. *Legal (including crime and disorder)***

The Local Audit and Accountability Act 2014 introduced a Code of Audit Practice prescribing the way in which audit functions are to be undertaken. The Code includes an expectation that the auditors should adopt a constructive approach to their work including sharing and agreeing and audit plan at an early stage with the audited body.

### **8. *Financial (including value for money, benefits and efficiencies)***

Mazars propose an audit fee of £22,527. It is identified in the report that there is likely to be further fees for 2019/20 due to additional requirements driven by national auditing developments. The level of additional fee is yet to be confirmed but is anticipated to be approximately 20% higher, which appears to be in line with auditors' proposals to other authorities.

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

External Audit provides reassurance to the general public that the CFA is meeting its statutory obligations. They also work with Internal Audit and the Treasurer in ensuring that effective internal control procedures are in place.

### **10. *Staff, Service Users and Stakeholders (including the Equality Impact Assessment)***

None.

### **11. *Environmental***

None.

### **12. *Impact upon Our Plan Objectives***

The external audit work will support the Finance and Resources and Governance strategies in demonstrating value for money and providing assurance.

## **Background Papers**

None.

## **Appendix**

Draft 2019/2020 Mazars Audit Strategy Memorandum

## **Officers to Contact**

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