

Status of Report: Public

Meeting: Corporate and Governance Committee

Date: 13 March 2019

Subject: External Audit Plan 2018/2019

Report by: The Treasurer

Author: Adam Stretton (Area Manager – Business Support)

For: Discussion

1. Purpose

The Combined Fire Authority's (CFA's) external auditors, Mazars LLP, have requested that their Audit Strategy Memorandum for 2018/2019 (the Plan) is presented to the Corporate Governance Committee for consideration.

2. Recommendations

The Corporate Governance Committee is asked to note the External Audit Plan for 2018/2019.

3. Executive Summary

The plan for the 2018/2019 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.

4. Report Detail

- 4.1 Mazars were appointed as external auditors by Public Sector Audit Appointments Ltd (PSAA) in December 2017. The appointment commences from the 2018/19 accounts and this plan provides the basis of their first audit. Mazars LLP are contracted for a period of five years.
- 4.2 The Plan has been prepared to inform Members and Officers of the CFA about Mazars responsibilities as the CFA's external auditors and how they plan to discharge them. Every public authority is accountable for the stewardship of public funds. The responsibility for this stewardship is placed upon the Members and Officers of the CFA. Mazars statutory responsibilities and powers are principally derived from the Local Audit and Accountability Act 2014, the National Audit Office's Code of Audit Practice and the PSAA Statement of Responsibilities. Within

the Plan, Mazars have considered the impact of recent developments and key significant risks.

- 4.3 The Plan sets out in more detail Mazars audit approach for the year ending 31 March 2019, including the 2018/19 final accounts audit which Mazars will undertake in June 2019. 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.
- 4.4 Representatives from Mazars will be attending the meeting to answer any questions Members may have on the Plan which is attached at the Appendix.
- 4.5 Mazars have highlighted that in order to comply with s479 of the Companies Act 2006, that the CFA's trading company 'Forge Health Limited' is subject to an external audit. For 2018/19 this will be undertaken separately by an independent external auditor and completed for December 2019. The work of Mazars will not be affected.

5. Report Implications / Impact

5.1 *Legal (including crime and disorder)*

These are included in the main body of the report.

5.2 *Financial (including value for money, benefits and efficiencies)*

Mazars propose a total audit fee of £22,527, a reduction from the 2017/18 fee of £29,247. Mazars will also be carrying out the assessment of the CFA to determine a local value for money conclusion and this cost is included in the overall price.

5.3 *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.

5.4 *Staff, Service Users and Stakeholders (including the Equality Impact Assessment)*

None.

5.5 *Environmental*

None.

5.6 *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.

6. **Background Papers**

External Audit Plan 2017/18 (Corporate Governance Committee – 14 March 2018)

http://www.leicestershire-fire.gov.uk/my-calendar/?mc_id=116

7. **Appendix**

Draft 2018/2019 Mazars Audit Strategy Memorandum

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