

Status of Report: Public

Meeting: Corporate Governance Committee

Date: 13 July 2023

Subject: External Audit Strategy Memorandum 2022/23

Report by: The Treasurer

Author: Deputy Director of Finance, Leicester City Council

For: Information

Purpose

1. The Combined Fire Authority's (CFA's) external auditor, Mazars LLP, has requested that its Audit Strategy Memorandum for the year ended 31 March 2023 is presented to the Corporate Governance Committee for consideration.

Recommendation

2. The Corporate Governance Committee is asked to note the External Audit Strategy Memorandum for the year ended 31 March 2023.

Executive Summary

3. The Audit Strategy Memorandum plan for the 2022/2023 external audit of the CFA (attached at Appendix 1) includes detail of matters such as Mazars' audit scope and approach, significant audit risks and key judgement areas, value for money work and the scale of audit fees. An explanation of their commitment to independence is also provided.
4. The Memorandum refers to the implications of the introduction of the new auditing standard ISA 315 for identifying and assessing the risks of material misstatement. However, this is unlikely to impact the CFA directly, as Mazars' approach in previous years has included the relevant coverage and the effect in practice is on how Mazars document their audit work.
5. Mazars considers that two-way communication with the Committee is key to a successful audit. This includes sharing information and seeking the Committee's views of risks that may affect the audit. This is set out in a letter at page 3 of the Appendix.
6. The audit is presently expected to complete by the end of November 2023, allowing for the separate completion of the audit of the Leicestershire Local Government Pension scheme accounts. The CFA would then be asked to approve the audited accounts and associated documents at the next available meeting.

Report

External Auditor's Progress Report

7. The Audit Strategy Memorandum plan for the 2022/2023 external audit is attached at Appendix 1.

Report Implications/Impact

8. 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 an audit plan at an early stage with the audited body.

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

Mazars proposes an audit fee of £35,178, as set out at page 20 of the Appendix. This is in line with 2021/22 fees and the national position. It assumes that the annual inflationary uplift will be funded nationally.

10. 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.

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

None arising directly from the report.

12. Environmental

None arising directly from the report.

13. 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

Audit Strategy Memorandum 2022/23

Officers to Contact

Amy Oliver, Treasurer

amy.oliver@leicester.gov.uk

0116 454 4001

Colin Sharpe, Deputy Director of Finance, Leicester City Council

colin.sharpe@leicester.gov.uk

0116 454 4081

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