

Annual Audit Letter

West Yorkshire Combined Authority

Year ending 31 March 2020





Contents

- 01** Executive summary
- 02** Audit of the financial statements
- 03** Value for money conclusion
- 04** Other reporting responsibilities
- 05** Our fees
- 06** Forward look

Our reports are prepared in the context of the 'Statement of responsibilities of auditors and audited bodies' issued by Public Sector Audit Appointments Ltd. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the West Yorkshire Combined Authority. No responsibility is accepted to any member or officer in their individual capacity or to any third party. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.

Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales.

1. EXECUTIVE SUMMARY

Purpose of the Annual Audit Letter

Our Annual Audit Letter summarises the work we have undertaken as the auditor for West Yorkshire Combined Authority (the Authority) for the year ended 31 March 2020. Although this letter is addressed to the Authority, it is designed to be read by a wider audience including members of the public and other external stakeholders.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (the NAO). The detailed sections of this letter provide details on those responsibilities, the work we have done to discharge them, and the key findings arising from our work. These are summarised below.

Area of responsibility	Summary
Audit of the financial statements	<p>Our auditor's report issued on 30 November 2020 included our opinion that the financial statements:</p> <ul style="list-style-type: none">• give a true and fair view of the Authority's financial position as at 31 March 2020 and of its expenditure and income for the year then ended; and• have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.
Other information published alongside the audited financial statements	<p>Our auditor's report included our opinion that:</p> <ul style="list-style-type: none">• the other information in the Statement of Accounts is consistent with the audited financial statements.
Value for money conclusion	<p>Our auditor's report concluded that we are satisfied that in all significant respects, the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.</p>
Reporting to the group auditor	<p>In line with group audit instructions, issued by the NAO on 4th November, we reported to the group auditor in line with the requirements applicable to the Authority's WGA return.</p>
Statutory reporting	<p>Our auditor's report confirmed that we did not use our powers under s24 of the 2014 Act to issue a report in the public interest or to make written recommendations to the Authority.</p>



2. AUDIT OF THE FINANCIAL STATEMENTS

Opinion on the financial statements

Unqualified

The scope of our audit and the results of our work

The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Authority and whether they give a true and fair view of the Authority's financial position as at 31 March 2020 and of its financial performance for the year then ended.

Our audit was conducted in accordance with the requirements of the Code of Audit Practice issued by the NAO, and International Standards on Auditing (ISAs). These require us to consider whether:

- the accounting policies are appropriate to the Authority's circumstances and have been consistently applied and adequately disclosed;
- the significant accounting estimates made by management in the preparation of the financial statements are reasonable; and
- the overall presentation of the financial statements provides a true and fair view.

Our auditor's report, stated that in our view, the financial statements give a true and fair view of the Authority's financial position as at 31 March 2020 and of its financial performance for the year then ended.

Our report included emphasis of matter paragraphs to highlight material valuation uncertainty due to the coronavirus pandemic in relation to the Authority's property assets, and property assets held by West Yorkshire Pension Fund, linked to the Authority's pension fund liability.

Our approach to materiality

We apply the concept of materiality when planning and performing our audit, and when evaluating the effect of misstatements identified as part of our work. We consider materiality in particular when determining the nature, timing and extent of our audit procedures, and when evaluating the effect of uncorrected misstatements. An item is considered material if its misstatement or omission could reasonably be expected to influence the economic decisions of users of the financial statements.

Judgements about materiality are made in the light of surrounding circumstances and are affected by both qualitative and quantitative factors. As a result we have set materiality for the financial statements as a whole (financial statement materiality) and a lower level of materiality for specific items of account (specific materiality) because of the nature of these items or because they attract public interest. We also set a threshold for reporting identified misstatements to the Governance and Audit Committee. We call this our trivial threshold.

The table below provides details of the materiality levels applied in the audit of the financial statements for the year ended 31 March 2020:

Financial statement materiality	Our financial statement materiality is based on a percentage of Gross Operating Expenditure.	£5.0 million
Trivial threshold	Our trivial threshold is based on 3% of financial statement materiality.	£0.152 million



2. AUDIT OF THE FINANCIAL STATEMENTS

Our response to significant risks

As part of our continuous planning procedures we considered whether there were risks of material misstatement in the Authority's financial statements that required special audit consideration. We reported significant risks identified at the planning stage to the Governance and Audit Committee within our Audit Strategy Memorandum and provided details of how we responded to those risks in our Audit Completion Report. The table below outlines the identified significant risks, the work we carried out on those risks and our conclusions.

Identified significant risk	Our response	Our findings and conclusions
<p>Management override of controls In all entities, management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Because of the unpredictable way in which such override could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits</p>	<p>We addressed this risk by performing audit work in the following areas:</p> <ul style="list-style-type: none"> • accounting estimates impacting on amounts included in the financial statements; • consideration of identified significant transactions outside the normal course of business; and • journals recorded in the general ledger and other adjustments made in preparation of the financial statements. 	<p>Our work has not identified any instances of management override of controls and we have no significant matters to report in relation to this risk.</p>
<p>Property, plant and equipment valuation The financial statements contain material entries on the Balance Sheet as well as material disclosure notes in relation to PPE. The CIPFA Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate fair value at that date. Although the Authority employs an external valuation expert to provide information on valuations, there remains a high degree of estimation uncertainty associated with the valuation of PPE due to the significant judgements and number of variables involved in providing valuations.</p>	<p>We considered the Authority's arrangements for ensuring that PPE values are reasonable and have consulted with our own expert to provide data which has enabled us to assess the reasonableness of the valuations provided by the Authority's valuer. To do this we have:</p> <ul style="list-style-type: none"> • reviewed the valuation methodology used, including testing the underlying data and assumptions. We have also assessed the competence, skills and objectivity of the valuer; • compared the valuation output with market intelligence provided by Gerald Eve the consulting valuers engaged by the National Audit Office, to obtain assurance that the valuations are in line with market expectations; • assessed the effect of the valuation uncertainty disclosed by the Authority's valuer and the adequacy of disclosure in note 9 of the financial statements. 	<p>Other than the points highlighted in relation to the material valuation uncertainty and the Emphasis of Matter paragraph within our auditor's report, we identified no significant matters to report in relation to the property, plant and equipment valuations.</p>



2. AUDIT OF THE FINANCIAL STATEMENTS

Our response to significant risks (continued)

Identified significant risk	Our response	Our findings and conclusions
<p>Defined benefit liability valuation</p> <p>The net pension liability represents a material element of the Authority's balance sheet. The Authority is an admitted body of the West Yorkshire Pension Fund, which had its last triennial valuation completed as at 31 March 2019.</p> <p>The valuation of the Fund relies on a number of assumptions, most notably around the actuarial assumptions, and actuarial methodology which results in the Authority's overall valuation.</p> <p>There are financial and demographic assumptions used in the calculation of the Authority's valuation, such as the discount rate, inflation rates and mortality rates. The assumptions should also reflect the profile of the Authority's employees, and should be based on appropriate data. The basis of the assumptions is derived on a consistent basis year to year, or updated to reflect any changes.</p> <p>At the planning stage we assessed there was a risk that the assumptions and methodology used in valuing the Authority's pension obligation were not reasonable or appropriate to the Authority's circumstances. This could have a material impact to the net pension liability in 2019/20.</p>	<p>We reviewed the controls that the Authority has in place over the information sent to the Actuary, including the Authority's processes and controls with respect to the assumptions used in the valuation. We also:</p> <ul style="list-style-type: none"> evaluated the competency, objectivity and independence of the Actuary; liaised with the auditors of the West Yorkshire Pension Fund to gain assurance that the controls in place at the Pension Fund are operating effectively. This included the processes and controls in place to ensure data provided to the Actuary by the Pension Fund for the purposes of the IAS19 valuation is complete and accurate; reviewed the appropriateness of the Pension Asset and Liability valuation methodologies applied by the Actuary, and the key assumptions included within the valuation. This included comparing them to expected ranges, utilising information provided by PWC, consulting actuary engaged by the National Audit Office; and agreed the data in the IAS 19 valuation report provided by the Fund Actuary for accounting purposes to the pension accounting entries and disclosures in the financial statements. 	<p>Other than the points highlighted in relation to the material valuation uncertainty and the Emphasis of Matter paragraph within our auditor's report, we identified no significant matters to report in relation to defined benefit liability valuations.</p>



2. AUDIT OF THE FINANCIAL STATEMENTS

Internal control recommendations

As part of our audit we considered the internal controls in place that are relevant to the preparation of the financial statements. We did this to design audit procedures that allow us to express our opinion on the financial statements, but this did not extend to us expressing an opinion on the effectiveness of internal controls. We identified the following deficiency in internal control as part of our audit.

Description of deficiency	The Authority does not record 'yellow' bus values individually in the fixed asset register, the value is recorded as an aggregate balance. While this deficiency is unlikely to have a material impact, it does require additional procedures when calculating proceeds from disposals and other capital charges.
Potential effects	During our testing of fixed asset disposals relating to yellow buses we were unable to trace individual disposal values to the fixed asset register to ascertain its net book value. As yellow buses are shown in the fixed asset register as an aggregate balance, it is a difficult and time-consuming process to obtain sufficient audit evidence to support disposals and other capital charges included in the accounts.
Recommendation	We recommend that this type of asset is recorded individually in the fixed asset register, to improve accuracy and reduce the time required to obtain audit evidence relating to this type of asset.
Management response	<p>This is a historical issue, relating to how the yellow buses were purchased in batches, with each batch of vehicles having similar specifications and unit price. At the time it was considered appropriate to record them in aggregate on the asset register.</p> <p>When disposals cross different batches, spanning several years, the pro-rated accumulative depreciation is difficult and time consuming to trace to individual vehicle disposals, which is why we use the aggregate balance to calculate net book values.</p> <p>Management agrees any new additions of this type of asset, will be registered on an individual basis. This will simplify the process of calculating depreciation, loss or gain on disposal for individual assets.</p>



3. VALUE FOR MONEY CONCLUSION

Value for money conclusion	Unqualified
----------------------------	--------------------

Our audit approach

We are required to consider whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out in order to form our conclusion, and sets out the criterion and sub-criteria that we are required to consider.

The overall criterion is that, ‘in all significant respects, the Authority had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.’ To assist auditors in reaching a conclusion on this overall criterion, the following sub-criteria are set out by the NAO:

- informed decision making;
- sustainable resource deployment; and
- working with partners and other third parties.

Our auditor’s report, stated that that, in all significant respects, the Authority put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31st March 2020.

Sub-criteria	Commentary	Arrangements in place?
Informed decision making	<p>The Combined Authority has a clear governance structure and includes the expected features of an effective governance framework in local government.</p> <p>In March 2020 the Government outlined details of its devolution deal for West Yorkshire. In preparation for this the Authority is considering its governance arrangements and planning to adopt a mayoral model. This will require changes to existing constitutional arrangements and prepare the Authority for additional delegated functions. At the time of writing our report, these arrangements have been drafted and are out for consultation.</p> <p>As in previous years, the Corporate Plan sets out the Authority’s priorities and is closely aligned to the overarching aims of the Strategic Economic Plan (SEP). Clear and measurable targets and outcomes for key priorities have been identified and included in the Corporate Plan with key performance targets being measured regularly. The Corporate Plan is supported by revenue and capital budgets.</p> <p>The Medium Term Financial Strategy is reviewed annually to reflect strategic objectives and allocates resources to priority areas. Regular financial reporting takes place through the Senior Management Team and Leadership Team and to the Combined Authority.</p>	Yes



3. VALUE FOR MONEY CONCLUSION

Our audit approach (continued)

Sub-criteria	Commentary	Arrangements in place?
Informed decision making (continued)	<p>Leeds City region Enterprise Partnership (LEP) panels (with their public and private sector representation) have been integrated within the Combined Authority’s decision-making structure as advisory committees, improving transparency and accountability.</p> <p>There is a Corporate Risk Management Strategy, endorsed by the Governance and Audit Committee, which sets out the way risks are identified, recorded and monitored. Management have agreed to implement Internal Audit recommendations to strengthen risk management arrangements. The Authority’s project management assurance framework is in line with national best practice and ensures there is robust accountability and governance with regard to the management and delivery of projects.</p> <p>The system of internal control is subject to Internal Audit and for 2019/20, the Combined Authority’s internal auditors, provided an overall opinion that controls and governance are operating adequately.</p> <p>A Governance and Audit Committee is in place to oversee the governance framework including the work of internal audit and approval of the Authority’s financial statements.</p> <p>The Authority ensures its Corporate Governance Code and Framework reflects changes made to arrangements in the year.</p>	
Sustainable resource deployment	<p>Consistent with previous years the Authority delivered a budget surplus. In 2019/20 the Authority achieved a surplus of £1.3 million, against a planned deficit budget of £1.2 million. The surplus was predicated by significant underspends in salary costs, financing costs and the postponement of planned projects.</p> <p>In February 2020, the Authority approved a balanced revenue budget for 2020/21 and a MTFS up to 2023. The MTFS included funding gaps of £2.04 million in 2021/22 and £3.55 million in 2022/23. The Authority planned to address these gaps in September 2020, when it received clarity over the devolution deal and could better assess the impact of Brexit.</p> <p>As in previous years, the Authority has recognised the significant financial challenge facing the partner councils and has agreed reductions in the transport levy.</p>	Yes



3. VALUE FOR MONEY CONCLUSION

Our audit approach (continued)

Sub-criteria	Commentary	Arrangements in place?
Sustainable resource deployment (continued)	<p>The Authority is set to become a Mayoral Combined Authority (MCA) in May 2021. As such it will receive an annual gain-share of £38 million per year. The gain-share has to be used to promote economic growth in the MCA area.</p> <p>The Authority is currently considering how this income will be used, with current thinking that it will be strategy led and based on the Strategic Economic Framework approved by the MCA. The Authority is currently looking at ways the additional income can be used to reduce the pressures in the MTFS.</p> <p>Since March 2020, the Authority has been dealing with the financial impact of COVID-19. It reappraised its 2020/21 budget and identified a “worst case scenario” of a £12 million income gap. This is a significant financial challenge to the Authority but it has identified the following measures to mitigate this risk:</p> <ul style="list-style-type: none"> • use of reserves, in addition to the General Fund reserve of £8.2 million and other usable reserves of circa £1.1 million, the Authority will consider applying its £38.3 million West Yorkshire and Transport Fund (WYTF) reserve to address immediate funding issues. This would require replacing in order to deliver the Authority’s agreed programme over the coming years; • the Authority received a further £1.3 million from the Department for Transport, which, with an earlier amount of £0.8 million and other revised cost estimates has reduced the financial impact of the £12 million worst case scenario; and • there are schemes included in the MTFS up to 2023, which are currently grant funded. While the Authority has included them in the MTFS, these schemes could be stopped or restructured to reduce costs. At this stage the Authority is considering whether they continue with these schemes and is assessing how to manage this. <p>In July 2020, the Authority has communicated these risks and the options available to the Authority to the Governance and Audit Committee.</p>	



3. VALUE FOR MONEY CONCLUSION

Our audit approach (continued)

Sub-criteria	Commentary	Arrangements in place?
Working with partners and other third parties	<p>As in previous years the Authority continues to play an important and active role in providing the vehicle for closer partnership working between the local authorities of West Yorkshire and the LEP in order to ensure improved economic outcomes for local people. It focuses on the areas that make the most sense to deliver at the city region level.</p> <p>As part of its arrangements for transition to a Mayoral Combined Authority (MCA) in 2021, the Authority has consulted with its stakeholders. The Authority, in conjunction with its five local government partners have published their 'scheme', which outlines the proposed changes to the governance and functions of the Combined Authority, to that of a mayoral model. It also considers the transfer of functions currently exercised by the Office of the Police and Crime Commissioner and the constitutional arrangements that will be required. It also sets out proposals for the Combined Authority to be delegated additional functions.</p> <p>Since September 2016 the Strategic Economic Plan (SEP) has set out priorities for growth and development for the Authority and its partners across the Leeds City Region. To reflect the Authority's growing range of policy areas and to incorporate any future mayoral commitments, the Authority has developed its Strategic Economic Framework (SEF). While the SEP will continue to be used for Growth Deal programmes until this ends in March 2021, the SEF will form an overarching economic strategy for the region, reflecting these new powers, responsibilities and objectives.</p> <p>The Authority is an active participant in sub-regional networks and works with 'Transport for the North' on transport related matters. It responds to and leads on transport consultations for the region for example with stakeholders through the District Consultation Sub-Committees and Operator Groups. Consultation events have taken place during the year on the SEP, the Single Transport Plan, major schemes and the bus area network reviews which have successfully sought to contain costs but retain accessibility for users. In addition the Authority is building in youth engagement as it develops its bus and transport strategy.</p> <p>Up to date procurement arrangements are in place to secure cost effective purchasing.</p>	Yes



3. VALUE FOR MONEY CONCLUSION

Significant audit risks

The NAO’s guidance requires us to carry out work to identify whether or not a risk to our conclusion exists. Risk, in the context of our work, is the risk that we come to an incorrect conclusion rather than the risk of the arrangements in place at the Authority being inadequate. In our Audit Strategy Memorandum, we reported that we had identified one significant audit risk. The work we carried out in relation to the significant risk is outlined below.

Risk	Work undertaken	Conclusion
<p>Risk heading</p> <p>The Authority’s medium term financial strategy (MTFS) sets out the financial challenges the Authority faces in the medium term. This includes a reduction in the transport levy of £1m in each of the three years to 2020/21. A reduction of £1m equates to a circa 2% saving requirement in discretionary expenditure. The Authority is in the process of updating its MTFS to 2021/22.</p> <p>The continuing challenges the Authority faces are not new and are not unique to the West Yorkshire Combined Authority. However, the challenges do present a significant audit risk in respect of considering the arrangements that the Authority has in place to deliver financially sustainability over the medium term.</p> <p>In March 2020 the Authority had to consider the impact of the COVID-19 pandemic on its financial plans, both in the current financial year and to its MTFS.</p>	<p>We reviewed the arrangements the Authority has in place for ensuring financial resilience. Specifically, our work included reviewing:</p> <ul style="list-style-type: none"> the Authority’s MTFS to ensure it takes into consideration factors such as the latest income projections, funding reductions from the transport levy, salary and general inflation, restructuring costs and sensitivity analysis given the degree of variability in the above factors. We have also considered the arrangements the Authority has put in place to mitigate impact of COVID-19 and devolution on the 2020/21 budget and MTFS up to 2023; and the arrangements in place to monitor progress in delivering a balanced budget for 2020/21 and the MTFS up to 2023. 	<p>The Authority has a good track record of delivering its financial plans. There are no matters which gave rise to VFM reporting issues in 2019/20 but members may need to revisit priorities to ensure spending plans are affordable.</p>



4. OTHER REPORTING RESPONSIBILITIES

Exercise of statutory reporting powers	No matters to report
Completion of group audit reporting requirements	Consistent
Other information published alongside the audited financial statements	Consistent

The NAO's Code of Audit Practice and the 2014 Act place wider reporting responsibilities on us, as the Authority's external auditor. We set out below, the context of these reporting responsibilities and our findings for each.

Matters on which we report by exception

The 2014 Act provides us with specific powers where matters come to our attention that, in our judgement, require reporting action to be taken. We have the power to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these statutory reporting powers.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. We did not receive any such objections or questions.

Reporting to the NAO in respect of Whole of Government Accounts consolidation data

The NAO, as group auditor, requires us to complete the WGA Assurance Statement in respect of its consolidation data,. We submitted this information to the NAO on 30 November 2020.

Other information published alongside the financial statements

The Code of Audit Practice requires us to consider whether information published alongside the financial statements is consistent with those statements and our knowledge and understanding of the Authority. In our opinion, the other information in the Statement of Accounts is consistent with the audited financial statements.



5. OUR FEES

Fees for work as the Authority's auditor

We reported our proposed fees for the delivery of our work in the Audit Strategy Memorandum, presented to Governance and Audit committee in November 2020.

Having completed our work for the 2019/20 financial year, we can confirm that our final fees are as follows:

Area of work	2019/20 proposed fee	2019/20 final fee
Delivery of audit work under the NAO Code of Audit Practice	25,964	25,964
Fee variations* for costs relating to, but not limited to:		3,000
<ul style="list-style-type: none">• additional considerations relating to our going concern assessment and value for money conclusion;• consideration of the impact of McCloud and Goodwin legal cases on the pension liability; and• property and pension fund valuations.		
*Fee variations subject to PSAA approval		
Total fees	25,964	28,964

Fees for other work

We confirm that we have not undertaken any non-audit services for the Authority in the year.



6. FORWARD LOOK

Changes to the Code of Audit Practice

The Code of Audit Practice (the Audit Code), issued by the Comptroller and Auditor General, prescribes the way we carry out our responsibilities as external auditors. On 1st April 2020 a new Code came in to force and will apply to our work from 2020/21 onwards.

The new Audit Code continues to apply the requirements of International Standards on Auditing (ISAs) to our audit of the financial statements. While there are changes to the ISAs that are effective from 2020/21 the Audit Code has not introduced any changes to the scope of our audit of the financial statements. We will continue to give our opinion on the financial statements in our independent auditor's report.

There are, however, significant changes to the work on value for money arrangements, and the way we report the outcomes of our work.

The auditor's work on value for money arrangements

From 2020/21 we are still required to satisfy ourselves that the Authority has made proper arrangements for securing the economy, efficiency and effectiveness in the use of resources, however unlike under the 2015 Audit Code, we will no longer report in the form of a conclusion on arrangements. Instead, where our work identifies significant weaknesses in arrangements, we are required to report those weaknesses to the Authority, along with the actions that need to be taken to address those weaknesses.

Our work on value for money arrangements will focus on three criteria, specified in the revised Audit Code:

- financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;
- governance: how the body ensures that it makes informed decisions and properly manages its risks; and
- improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.

Under the new Audit Code we will be expected to report and make recommendations as soon as we identify a significant weakness in arrangements, as opposed to reporting our conclusion on arrangements at the end of the audit cycle as has previously been the case.

Reporting the results of the auditor's work

From 2020/21 the Annual Audit Letter will be replaced by the Auditor's Annual Report. This will continue to provide a summary of our work over the year of audit but will also include a detailed commentary on arrangements in place to achieve economy, efficiency and effectiveness. This commentary replaces the conclusion on arrangements that was previously provided and will include details of any significant weakness identified and reported, follow up of any previous recommendations made, and our view as to whether recommendations have been implemented satisfactorily.

The guidance supporting the new Audit Code is being developed by the National Audit Office and we will provide further updates to our approach arising from this guidance when it is released.



6. FORWARD LOOK

Redmond Review

In September 2020, Sir Tony Redmond published the findings of his independent review into the oversight of local audit and the transparency of local authority financial reporting. The report makes several recommendations that, if implemented, could affect both the financial statements that local authorities are required to prepare and the work that we as auditors are required to do.

The report and recommendations are wide-ranging, and includes:

- the creation of the Office of Local Audit and Regulation (OLAR), be created to manage, oversee and regulate local audit;
- reviewing reporting deadlines;
- reviewing governance arrangements in local authorities, including the membership of the Audit Committee; and
- increasing transparency and reducing the complexity of local authority financial statements.

The recommendations and findings are being considered by the Ministry of Housing, Communities and Local Government and we look forward to working with all stakeholders to implement changes to ensure the development and sustainability of local audit.

The full report is available here: <https://www.gov.uk/government/publications/local-authority-financial-reporting-and-external-audit-independent-review>



CONTACT

Mark Kirkham

Partner

Phone: 0113 394 5315

Mobile: 07747 764 529

Email:
mark.kirkham@mazars.co.uk

Mark Outterside

Senior Manager

Phone: 0191 383 6339

Mobile: 07824 086 593

Email:
mark.outterside@mazars.co.uk

Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

*where permitted under applicable country laws

The contents of this document are confidential and not for distribution to anyone other than the recipients. Disclosure to third parties cannot be made without the prior written consent of Mazars LLP