



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

AUDIT AND GOVERNANCE COMMITTEE	AGENDA ITEM No: 5
30 NOVEMBER 2018	PUBLIC REPORT

AUDIT PLAN 2018/19

1.0 PURPOSE

- 1.1. The purpose of this report is to receive and approve the 2018/19 Outline Audit Plan as prepared by Ernst & Young LLP (EY).

<u>DECISION REQUIRED</u>	
Lead Officer:	Jon Alsop, Head of Finance
<p>It is recommended that the Audit and Governance Committee:</p> <ol style="list-style-type: none">1. Receive the Outline Audit Plan for 2018/19 and consider:<ul style="list-style-type: none">• whether the planned audit is aligned with the Committee's expectations, and• whether there are other matters which may influence the audit.2. Note the planned audit fees for the year.	

2.0 BACKGROUND

- 2.1. According to its Terms of Reference, the Audit and Governance Committee shall consider the annual external audit of the Combined Authority's accounts, including the Annual Audit Letter and assessing the implications and monitoring managers' response to concerns.

- 2.2. The Outline Audit Plan for 2018/19 as shown at appendix A has been prepared by EY to set out how they intend to carry out their responsibility as auditor to the Combined Authority. The purpose of the plan is to provide the Audit and Governance Committee with a basis to review their proposed audit approach and scope for the 2018/19 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements.
- 2.3. The plan summarises EY's initial assessment of the key risks driving the development of an effective audit for the Authority, and outlines their planned audit strategy in response to those risks. EY are currently undertaking audit planning procedures and once completed will issue a Final Audit Plan which will be present to the next Committee.
- 2.4. The Committee is asked to comment on whether the planned audit is aligned with the Committee's expectations, and to consider whether there are other matters which may influence the audit.

3.0 FINANCIAL IMPLICATIONS

- 3.1. The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government. PSAA has published a scale fee for all relevant bodies. This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the NAO Code. The fee for 2018/19 reflects year 1 of the new 5 year contract awarded by PSAA.
- 3.2. The fee for the planned code work is £26,950. Additional fees of £1,500 are expected for EY's 'value for money' code work and £1,000 for EY's work on the severance of the Chief Executive. Further costs will be incurred for work on capitalisation issues and for work on The Business Board (TBB) governance and financial arrangements. These additional fees will be dependent on the extent of the capitalisation issues and on the scope of the requirement for TBB work.
- 3.3. All additional code work fees are to be confirmed and agreed with the Chief Finance Officer and will need to be approved by PSAA.

4.0 LEGAL IMPLICATIONS

- 4.1. None.

5.0 SIGNIFICANT IMPLICATIONS

- 5.1. None.

6.0 APPENDICES

6.1. Appendix A: The CPCA Outline Audit Plan 2018/19.

<u>Source Documents</u>	<u>Location</u>
None	