

# LIVERPOOL CITY REGION COMBINED AUTHORITY

To: To the Chair and Members of the Audit and Governance Committee

Meeting: 28 July 2021

Authority/Authorities Affected: All

EXEMPT/CONFIDENTIAL ITEM: No

**KEY DECISION** No

## REPORT OF THE EXECUTIVE DIRECTOR OF CORPORATE SERVICES

### MAZARS AUDIT APPROACH TO 2020-21 EXTERNAL AUDIT

#### 1. PURPOSE OF REPORT

This report provides the Members of the Audit and Governance Committee with Mazars Audit Strategy Memorandum (ASM) which details their proposed approach to the audit of the Combined Authority financial statements for the financial year 2020-21 for consideration and comment.

#### 2. RECOMMENDATIONS

It is recommended that the Committee:

- (a) Note the external audit plan of work for 2020-21 as proposed by Mazars and detailed in their ASM;
- (b) Note that that the ASM will be submitted to the Combined Authority for approval;
- (c) Provide comments on the proposals as detailed in the ASM; and
- (d) Recommend the approval of the ASM to the Combined Authority, subject to any comments or amendments proposed.

#### 3. BACKGROUND

3.1 The statutory responsibilities and powers of the external auditors are set out in the Local Audit and Accountability Act 2012 and the National Audit Office's Code of Audit Practice.

3.2 The external audit process has two key objectives; namely

- (a) Providing an opinion on the financial statements (including the Annual Governance Statement); and
- (b) Concluding on the arrangements in place for securing economy, efficiency and effectiveness.

3.3 To demonstrate how these objectives have been met, Merseytravel's external auditors, Mazars, have prepared the Combined Authority's External Audit Plan in respect of the 2020-21 Financial Statement audit and Value for Money work (Appendix 1). The plan is presented to the Audit and Governance Committee for consideration and comment.

#### **4. RESOURCE IMPLICATIONS**

##### 4.1 Financial

None arising directly from this report.

##### 4.2 Human Resources

None arising directly from this report.

##### 4.3 Physical Assets

None arising directly from this report.

##### 4.4 Information Technology

None arising directly from this report.

##### 4.5 Programme Management Office (PMO)

None arising directly from this report.

#### **5. RISKS AND MITIGATION**

None arising directly from this report.

#### **6. EQUALITY AND DIVERSITY IMPLICATIONS**

None arising directly from this report.

#### **7. PRIVACY IMPLICATIONS**

None arising directly from this report.

**8. COMMUNICATION ISSUES**

None arising directly from this report.

**9. CONCLUSION**

The external auditor's ASM details their proposed approach to the audit of the annual statement of accounts for Merseytravel and is shared with Members of the Audit, Risk and Governance Board for consideration and comment.

JOHN FOGARTY  
Executive Director of Corporate Services

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Appendices:  
Appendix One – Liverpool City Region Combined Authority Audit Strategy Memorandum 2020-21

Background Documents:  
None