

TYNE & WEAR FIRE AND RESCUE AUTHORITY

GOVERNANCE COMMITTEE MEETING: 13TH MARCH 2020

SUBJECT: AUDIT STRATEGY MEMORANDUM 2019/2020

REPORT OF THE STRATEGIC FINANCE MANAGER

1.0 Purpose of the report

- 1.1 This report details the external auditors Audit Plan which notifies the Authority of the work that they are proposing to undertake in respect of the audit of the financial statements and the value for money conclusion for the financial year 2019/2020.

2.0 Audit Strategy 2019/2020

- 2.1 The attached Memorandum advises on the scope and approach of the auditors work together with the scale of fee for the 2019/2020 audit.
- 2.2 It is welcomed that Mazars audit fees will be maintained at £23,590 for the 2019/2020 audit work which is in accordance with the agreed scale fees guidance provided by Public Sector Audit Appointments Ltd (PSAA) as an additional fee of £3,652 was charged for the additional pensions audit work that was necessary because of the late changes impacting on the accounts caused by the McCloud and Sargeant pension cases legal judgements.
- 2.3 The Audit Strategy identifies the specific areas for the planned audit work based upon a risk assessment process and also includes their views on key judgements used within the financial statements and for the Value for Money conclusion. The Memorandum document sets out the key significant risk areas that have been identified for 2019/2020 and are detailed in Section 4 for the Financial Statements and in Section 5 for the Value for Money Conclusion. All identified risks have been discussed with senior officers and are viewed as typical for an organisation of this size and type.
- 2.4 The document also sets out the protocol the auditors will follow in completing their planned work by providing an audit timeline of key phases of their work and also sets out their proposed methods of communication at each stage.
- 2.5 The Memorandum also sets out in Section 8 the materiality levels that will be applied to the audit work for 2019/2020 for Committee members information.

2.6 The auditors will be in attendance to outline the content of the document and to answer any questions.

3.0 Recommendation

3.1 The Committee is recommended to note the contents of this report.