

**Mountsett Crematorium Joint
Committee**

28 January 2020

**External Audit Arrangements 2019/20 to
2021/22**



Joint Report of

**Geoff Paul, Interim Corporate Director of Regeneration and Local
Services**

**John Hewitt, Corporate Director of Resources and Treasurer to the
Joint Committee**

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 This report presents members of the Mountsett Crematorium Joint Committee with proposals for the continued delivery of the external audit by Mazars for the three financial years 2019/20 to 2021/22.

Executive summary

- 2 The Joint Committee appoints an external auditor to carry out a limited assurance audit on the Joint Committees Annual Return, which ensures a continued effective financial and governance framework for the Joint Committee.
- 3 In January 2017 Members appointed Mazars to undertake the external audit arrangements for the 2016/17, 2017/18 and 2018/19 financial years.
- 4 Mazars have met all deadlines for the completion of the audits and have always proven to be very accessible.
- 5 The quotation provided by Mazars for the next three years audit of £4,290 is only £90 higher than the previous three years and reflects a £130 (4.3%) increase on the current budgeted levels, but would be fixed thereafter.

- 6 It is considered that Members of the Joint Committee therefore re-appoint Mazars to undertake the external audit for the next three years.

Recommendation(s)

- 7 It is recommended that Members of the Joint Committee appoint Mazars to undertake the external audit arrangements for the 2019/20, 2020/21 and 2021/22 financial years.

Background

- 8 In April 2015, Members considered a report regarding the change in legislation in respect to the provisions of the Local Audit and Accountability Act 2014. This resulted in a change to the external audit process for Joint Committees who no longer had a statutory obligation to prepare accounts and for these accounts to be subject to audit.
- 9 In line with advice provided by the Head of Finance & Transactional Services, Members approved the discontinuation of the full Statement of Accounts from the 2014/15 financial year. Members also approved the recommendation for the continuation of separate audit arrangements from 2015/16 in order to ensure a continued effective financial and governance framework and that this will be based upon the continued preparation of the Joint Committees Annual Return and reporting of Balance Sheet information.
- 10 In January 2017, following a soft tendering exercise, Members appointed Mazars to undertake the external audit arrangements for the 2016/17, 2017/18 and 2018/19 financial years.

Non-Financial Considerations

- 11 Mazars have undertaken the limited assurance audit for the last three years and during this time demonstrated the following benefits for the Joint Committee:
 - Based in Durham, they are very accessible
 - They have always provided a quick turnaround of requested information
 - All deadlines for the completion of the audit have been achieved
 - Current auditors for Durham County Council, therefore having knowledge and reliance on various systems as part of their audit work

Financial Implications

- 12 Mazars were asked to provide a quotation for the next three year's audit work, which is shown below, alongside the cost for the previous three year's audit work:

Audit Year	Previous Audit Costs	Quotation for Next 3 Years
2016/17	£1,600	-
2017/18	£1,300	-
2018/19	£1,300	-
2019/20	-	£1,430
2020/21	-	£1,430
2021/22	-	£1,430
Total	£4,200	£4,290

- 13 Members can see that the proposed cost for the upcoming three years is only £90 higher than the cost for the previous three years. This is a £130 (4.3%) increase on the current budgeted levels, but would be fixed thereafter.
- 14 Due to the modest increase in the price quoted alongside the non-financial benefits for the Joint Committee, Members are asked to approve the appointment of Mazars to undertake the audit arrangements for the 2019/20, 2020/21 and 2021/22 financial years.
- 15 The revised price for the audit has been incorporated within the 2020/21 Revenue Budget.

Contact: Paul Darby Tel: 03000 261930
Ed Thompson Tel: 03000 263481

Appendix 1: Implications

Legal Implications

The Local Audit and Accountability acts 2014 sets out the legal and regulatory framework in which Joint Committees are to report their financial arrangements. The proposals within this report seek to strengthen the Joint Committees compliance with these regulations.

Finance

The costs associated with the external audit fee are included within the report and have been incorporated within the 2020/21 revenue budget.

Consultation

None. However, Officers of Gateshead Council were provided with a copy of the report and given opportunity to comments / raise any detailed queries on the contents of this report in advance of circulation to members of the MCJC.

Equality and Diversity / Public Sector Equality Duty

None.

Human Rights

None.

Crime and Disorder

None.

Staffing

None.

Accommodation

None.

Risk

None identified. Finance staff are professionally competent and capable of preparing the annual return for the MCJC in line with audit requirements

Procurement

None.

Climate Change

None.