

Central Durham Crematorium Joint Committee

1 February 2022

External Audit Arrangements 2022/23 to 2024/25



Joint Report of

Alan Patrickson, Corporate Director of Neighbourhoods and Climate Change

Paul Darby, 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 Central Durham Crematorium Joint Committee with proposals for the continued delivery of the external audit by Mazars for the three financial years 2022/23 to 2024/25.

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 Members have appointed Mazars to undertake the external audit arrangements for the last five financial years and also for the 2021/22 audit.
- 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 2022/23 of £2,250 is £380 higher than the previous three years (which was a fixed price) and will be increased in line with CPI for the two years thereafter. However, the increase is in line with public sector audit cost inflation that is being experienced throughout the audit industry.

- 6 It is recommended 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 2022/23, 2023/24 and 2024/25 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 Treasurer, 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 three financial years and in January 2020 Members once again appointed Mazars for a further three year period.

Non-Financial Considerations

- 11 Mazars have undertaken the limited assurance audit for the last five 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
2019/20	£1,870	-
2020/21	£1,870	-
2021/22	£1,870	-
2022/23	-	£2,250

Audit Year	Previous Audit Costs	Quotation for Next 3 Years
2023/24	-	2022/23 fees plus CPI
2024/25	-	2023/24 fees plus CPI

- 13 Members can see that the proposed cost for 2022/23 is £380 (20%) higher than the cost for the previous three years (which was a fixed price) and will be increased in line with CPI for the two years thereafter.
- 14 The fee increases allow for the significant public sector audit cost inflation that has been well publicised (e.g. the Redmond Report) and reflects the recruitment and retention challenges currently experienced by all audit suppliers.
- 15 Members are asked to approve the appointment of Mazars to undertake the audit arrangements for the 2022/23, 2023/24 and 2024/25 financial years.
- 16 The audit fee has been incorporated within the 2022/23 Revenue Budget.

Contact:	Philip Curran	Tel: 03000 261967
	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 2022/23 revenue budget.

Consultation

None. However, Officers of Spennymoor Town 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 CDCJC.

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 CDCJC in line with audit requirements

Procurement

None.

Climate Change

None.