



Audit, Risk & Assurance Committee

Date	4 March 2021
Report title	Informing the Audit Risk Assessment 2020/21 for West Midlands Combined Authority
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Report to be considered by	Audit, Risk & Assurance Committee

Recommendation(s) for action or decision:

Audit, Risk & Assurance Committee is recommended to:

- (1) Note the draft informing the audit risk assessment 2019/20 report presented by Grant Thornton and consider whether the responses provided by management are consistent with its understanding and whether there are any further comments it wishes to make.

1. Purpose

- 1.1 The purpose of this report is to contribute towards the effective two-way communication between West Midlands Combined Authority's external auditors and West Midlands Combined Authority's Audit, Risk & Assurance Committee, as 'those charged with governance'. The report covers some important areas of the auditor risk assessment where we are required to make inquiries of the Audit, Risk & Assurance Committee under auditing standards.

2. Background

- 2.1 Under International Standards on Auditing (UK), (ISA(UK)) auditors have specific responsibilities to communicate with the Audit, Risk & Assurance Committee. ISA(UK) emphasise the importance of two-way communication between the auditor and the Audit, Risk & Assurance Committee and also specify matters that should be communicated. This two-way communication assists both the auditor and the Audit, Risk & Assurance Committee in understanding matters relating to the audit and developing a constructive working relationship. It also enables the auditor to obtain information relevant to the audit from the Audit, Risk & Assurance Committee and supports the Audit, Risk & Assurance Committee in fulfilling its responsibilities in relation to the financial reporting process.
- 2.2 The report attached as an appendix is in draft and may need to be updated once discussions around accounting estimates have been finalised. An update on any changes agreed will be provided at the Committee's April 2021 meeting when the External Audit Plan for 2020/21 will also be considered.

3. Financial Implications

- 3.1 There are no financial implications arising from this report.

4. Legal Implications

- 4.1 There are no legal implications arising from this report.

5. Equalities Implications

- 5.1 There are no equalities implications arising from this report.

6. Inclusive Growth Implications

- 6.1 There are no inclusive growth implications arising from this report.

7. Geographical Area of Report's Implications

- 7.1 There are no geographical area implications arising from this report.

8. Other Implications

- 8.1 There are no other implications arising from this report.

9. Schedule of Background Papers

9.1 Informing the audit risk assessment for West Midlands Combined Authority 2020/21