

Audit & Governance Committee

Date of Meeting: 28 May 2020

Report Title: External Audit Update Report

Senior Officer: Alex Thompson, Director of Finance & Customer Services

1. Report Summary

- 1.1. An update on the amendments to the Accounts & Audit Regulations for the impact of Covid-19 and the consequential effect on the reporting of the 2019/20 Statement Accounts.
- 1.2. An update on the work of the external auditors.

2. Recommendation/s

That Members of the Audit & Governance Committee:

- 2.1. Note the content of the report, particularly the revised dates for the reporting of the 2019/20 Statement of Accounts.
- 2.2. Note the update provided by the Council's external auditors.

3. Reasons for Recommendation/s

- 3.1. The Council is responding to the opportunity to revise the reporting deadlines for the 2019/20 Statement of Accounts. This situation has arisen as part of the national response to the COVID-19 emergency.
- 3.2. The Audit Plan sets out the work that the Council's Auditors, Mazars will be carrying out in their statutory audit on the Council's financial statements and arrangements for securing value for money.

4. Other Options Considered

- 4.1. The Council could have aimed to provide the 2019/20 Statement of Accounts in line with the reporting deadlines adhered to for 2018/19. Finance staff have however been supporting the overall response to the

COVID-19 emergency, and it therefore appropriate to delay the accounting process in line with revised guidance.

5. Background

- 5.1. Mazars have been appointed as the Council's independent external auditors. Their annual work programme is set in accordance with the Code of Audit Practice issued by the Audit Commission and includes nationally prescribed and locally determined work.
- 5.2. The Council has received a letter as set out in Appendix A, from the Ministry of Housing, Communities and Local Government (MHCLG) regarding revisions to the statutory reporting requirements.
- 5.3. This sets out the amendments to the Accounts and Audit Regulations as follows:
 - The publication date for final, audited accounts will move from 31 July to 30 November of all local authority bodies.
 - To give local authorities more flexibility, the requirement for the public inspection period to include the first 10 working days of June has been removed. Instead local authorities must commence the public inspection period on or before the first working day of September 2020.
 - This means that draft accounts must be approved by 31 August 2020 at the latest. However, they may be approved earlier and councils are encouraged to do so wherever possible, to help manage overall pressure on audit firms towards the end of the year.
- 5.4. In accordance with the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 the proposed reporting timetable for the 2019/20 Statement of Accounts will be:
 - Draft Statement of Accounts – 31st July 2020
 - Final Audited Statement of Accounts – 30th November 2020
- 5.5. The draft Statement of Accounts will be reported to the Audit & Governance Committee at its meeting on 30th July 2020.
- 5.6. The audit will commence in accordance with the revised audit plan as set out in Appendix B.
- 5.7. The final audited Statement of Accounts will be reported to the Audit & Governance Committee at its November meeting for approval.

6. Implications of the Recommendations

6.1. Legal Implications

6.1.1. There are no legal implications identified.

6.2. Finance Implications

6.2.1. The audit fees will be met from within the revenue budget.

6.3. Policy Implications

6.3.1. There are no policy implications identified.

6.4. Equality Implications

6.4.1. There are no equality implications identified.

6.5. Human Resources Implications

6.5.1. There are no human resources implications identified.

6.6. Risk Management Implications

6.6.1. Mazars will complete a risk based audit whereby they will focus audit effort on those areas where they have identified a risk of material misstatement in the accounts.

6.7. Rural Communities Implications

6.7.1. There are no direct implications for rural communities.

6.8. Implications for Children & Young People / Cared for Children

6.8.1. There are no direct implications for children and young people.

6.9. Public Health Implications

6.9.1. There are no direct implications for public health.

6.10 Climate Change Implications

6.10.1. There are no direct implications for climate change.

7. Ward Members Affected

7.2. Not applicable.

8. Access to Information

8.2. The background papers relating to this report can be inspected by contacting the report writer.

9. Contact Information

9.2. Any questions relating to this report should be directed to the following officer:

Name: Joanne Wilcox

Job Title: Financial Strategy and Reporting Manager

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Appendix A – MHCLG letter to all local authority Chief Executives

Appendix B – External Audit Progress Report 2019-20