

**SUBJECT: EXTERNAL AUDIT: AUDIT COMPLETION REPORT**

**DIRECTORATE: CHIEF EXECUTIVE & TOWN CLERK**

**REPORT AUTHOR: JACLYN GIBSON, CHIEF FINANCE OFFICER**

## **1. Purpose of Report**

- 1.1 To present the final Audit Completion Report for 2019/20, which summarises the findings from the 2019/20 audit of the Council's Statement of Accounts. A draft of this report was presented to this Committee in November 2019, a final report has now been issued following the conclusion of the audit.
- 1.2 This report includes only matters of governance interest that have come to the external auditor's attention in performing the audit. It is not designed to identify all matters that might be relevant to the Authority.
- 1.3 The report will be presented at the meeting by the Council's External Auditors, Mazars.

## **2. Executive Summary**

- 2.1 The Council's financial statements are an important means by which the Council accounts for its stewardship of public funds. Council Members have final responsibility for the financial statements. It is therefore important that the Audit Committee consider Mazars findings before recommending the adoption of the financial statements to Full Council (this requirement was fulfilled in November 2020).

## **3. Opinion on the financial statements**

- 3.1 At the time of issuing the draft report in November 2020, Mazars work on the financial statements was substantially complete. This work has now been completed and Mazars issued an unqualified audit opinion on 31<sup>st</sup> March 2021 (a report to those charged with governance (IAS 260) is attached at Appendix A).
- 3.2 As part of the audit work undertaken Mazars have considered the internal controls in place relevant to the preparation of the financial statements. The findings of this work has resulted in 3 recommendations being made in respect of:
  - Production of draft accounts and working papers
  - Incomplete disclosures for pension fund plan assets
  - Investment property valuations

Further detail of the findings and recommendations are provided in section 4 of the attached report.

3.3 In relation to misstatements in the accounts there were a number of misstatements identified that were above the trivial threshold level of £49k. Of these there were two misstatements that the Council assessed as not being material and has therefore not adjusted the accounts. These unadjusted misstatements are detailed in section 5 of the attached report. There were also a number of misstatements that were adjusted for as part of the audit process and have been reflected in the final version of the Statement of Accounts. Further details of these misstatements are provided in section 5 of the attached report.

3.4 A final copy of the Statement of Accounts is presented elsewhere on this agenda.

#### **4. Value for Money conclusion.**

4.1 The Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are adequate. Mazars therefore proposes issuing an unqualified opinion on the Council's value for money arrangements.

#### **5. Strategic Priorities**

5.1 The Council's Statement of Accounts are a financial summary of the Council's activities in support of its Vision 2025 and Strategic Priorities during the financial year 2019/20.

#### **6. Organisational Impacts**

6.1 Finance

There are no direct financial implications arising as a result of this report.

6.2 Legal Implications including Procurement Rules

In accordance with the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 the Statement of Accounts for 2019/20 had to be approved and published by the Council, together with the audit opinion and certificate, by the 30<sup>th</sup> November 2020. As the External Auditor was unable to complete their audit work by this date and issue their audit opinion. In accordance with Regulation 10, paragraph (2a) of the Accounts and Audit Regulations 2015:

2) Where an audit of accounts has not been concluded before the date specified in paragraph (1) an authority must—

(a) publish (which must include publication on the authority's website) as soon as reasonably practicable on or after that date a notice stating that it has not been able to publish the statement of accounts and its reasons for this"

Such a notice was published by the Council on the 27<sup>th</sup> November. On receipt of the final audit opinion, the Council's website has now been updated with the final audited accounts including the issued audit opinion.

6.3 Equality, Diversity and Human Rights

There are no equality, diversity or human rights issues arising as a result of this report.

## **7. Risk Implications**

7.1 There are no risk implications arising as a result of this report.

## **8. Recommendation**

8.1 Audit Committee are asked to consider the matters raised in the report.

**Is this a key decision?** No

**Do the exempt information categories apply?** No

**Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?** No

**How many appendices does the report contain?** One

**List of Background Papers:** Statement of Accounts 2019/20 – Audit Committee  
17<sup>th</sup> November 2020.

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