

SUBJECT: EXTERNAL AUDIT: NON AUDIT SERVICES

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: JACLYN GIBSON, CHIEF FINANCE OFFICER

1. Purpose of Report

- 1.1 This report requests the Audit Committee to approve the proposed engagement of the Council's external auditor, Mazars, to undertake the:
- Housing Benefits – Reporting Accountants report on the 2021/22 return and;
 - Pooling of Housing Capital Receipts – Reporting Accountant report on the 2021/22 return.

2. Background

- 2.1 For 2018/19, for a period of 5 years, Mazars have been appointed to undertake the external audit of the Councils financial statements under a formal tender process, administered by Public Sector Audit Appointments (PSAA), under the Local Audit and Accountability Act 2014.
- 2.2 This arrangement does not cover the provision of an Independent Reporting Accountant, required for the certification work on the Housing Benefit subsidy which is undertaken on behalf of the Department for Work and Pensions (DWP). Neither does the arrangement cover the provision of an Independent Reporting Accountant, required for the certification work on the Pooling of Housing Capital Receipts Scheme, which is undertaken on behalf of the Department for Levelling Up, Homes and Communities (DLUHC). These appointments need to be made separately.
- 2.3 The requirement to obtain an independent report on these returns is set by the relevant Government department (DWP and DLUHC) and the work is carried out in line with the instructions and work programmes issued by the departments. The reporting deadline for this work is end of January 2023.
- 2.4 The Council has, since 2018/19, appointed Mazars to perform the certification work required for these two returns. The appointment for the Housing Benefits return was undertaken through a direct approach to Mazars through the Crown Commercial Service: Management Consultancy Framework and was awarded for a period of 5-years. The appointment for the Housing Capital Receipts Scheme is awarded on an annual basis through a direct approach to Mazars.

3. Engagement for 2021/22

- 3.1 It is proposed that for 2021/22 the Council engages Mazars to perform the certification for required for the two returns. Historically this has not required the approval of the Audit Committee, however Mazars have requested that the

engagements for 2021/22 are formally approved by the Audit Committee, as per the attached letter.

- 3.2 External Audit will be in attendance at the meeting to answer any questions the Audit Committee has regarding these returns.

4. Strategic Priorities

- 4.1 There are no direct implications for the Council's strategic priorities. The external certification and independent report of these returns is a requirement of relevant Government Department and as such contributes towards the fitness for purpose of the Council's governance arrangements.

5. Organisational Impacts

- 5.1 Finance (including whole life costs where applicable)

The estimated fees for these two engagements are £6,000 for the Housing Benefits report and £3,250 for the Pooling of Housing Capital Receipts. Budget provision for these costs is already provided for with the Council's Medium Term Financial Strategy.

- 5.2 Legal Implications including Procurement Rules

There are no direct legal implications. The procurement of Mazars for these non-audit works has been undertaken in accordance with the Council's Contract Procedure Rules.

- 5.3 Equality, Diversity and Human Rights

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

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

6. Risk Implications

- 6.1 The work undertaken by Mazars provides external assurance to the Council on the effectiveness of arrangements for the accurate payment and recording of benefit expenditure and the housing capital receipts.

7. Recommendation

7.1 Audit Committee is asked approve the engagement of Mazars to undertake the additional non-audit work.

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: None

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