



AUDIT & GOVERNANCE COMMITTEE

Monday, 11 December 2023

Subject	Final Audit Results Report 2020/21, Auditors Annual Report 2020/21 and Statement of Accounts 2020/21
Cabinet Member	Councillor Vince Langdon-Morris Cabinet Member with responsibility for Resources and Value for Money
Report Author(s)	Marie McKissock Finance Compliance Manager Marie.mckissock@east Suffolk.gov.uk
Head of Service	Lorraine Rogers Chief Finance Officer and Section 151 Officer Lorraine.rogers@east Suffolk.gov.uk
Director	Chris Bally Chief Executive Chris.bally@east Suffolk.gov.uk

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	This report is to be considered during the OPEN part of the Agenda.
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

The Comptroller and Auditor General's Code of Audit Practice requires Ernst and Young LLP (EY) to report to this Committee on the work they have carried out in respect of East Suffolk Council to discharge their statutory audit responsibilities together with any governance issues identified. This is done via an Audit Results Report and Auditors Annual Report which includes a Value for Money commentary. A provisional Audit Results Report was presented to this committee in March 2022 and then updated at the September 2023 committee. At this meeting it was agreed the final Reports would be presented at the next available Audit & Governance Committee for final review.

Options:

None to consider.

Recommendation/s:

That the Committee:

1. Notes the external auditors' findings within the Audit Results Report 2020/21 (Appendix A).
2. Notes the Auditors Annual Report (AAR) which includes the Value for Money commentary (Appendix B).
3. Notes the final Statement of Accounts for 2020/21 (Appendix C).
4. Approves final sign-off and publication of the 2020/21 audited statement of accounts allowing EY to issue the audit certificate to conclude the audit.

Corporate Impact Assessment

Governance:

The Local Audit and Accountability Act 2014 requires the auditor to issue an opinion on the statement of accounts and a certificate to confirm that the audit has been undertaken in accordance with this Act.

ESC policies and strategies that directly apply to the proposal:

These reports do not link directly to the Strategic Plan, but through securing external assurance over the Council's governance, financial statements and value for money, this will help to achieve the priorities set out in the Strategic Plan.

Environmental:

No impact

Equalities and Diversity:

No impact

Financial:

External Audit ensures the Council is providing accurate and reliable financial information, which in turn informs future budgets and service provision. It also ensures value for money is achieved and increases transparency to local taxpayers.

Human Resources: No impact
ICT: No impact
Legal: No impact
Risk: If audits are not completed, there is a risk errors and misstatements are not identified and may impact future budgets and expenditure, and there is risk value for money may not be achieved.

External Consultees: Ernst & Young LLP (EY)
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		

P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>
How does this proposal support the priorities selected?			
The Audit Reports do not link directly to the Strategic Plan, but through securing external assurance over the Council's governance, financial statements and value for money, this will help to achieve the priorities set out in the Strategic Plan.			

Background and Justification for Recommendation

1 Background facts	
1.1	The Comptroller and Auditor General's Code of Audit Practice requires Ernst and Young LLP (EY) to report to this Committee on the work they have carried out in respect of East Suffolk Council to discharge their statutory audit responsibilities together with any governance issues identified. This report focuses on East Suffolk Council's Statement of Accounts for 2020/21 (Appendix C) and includes two reports from EY; The Audit Results Report 2020/21 (ARR) included as Appendix A, and the Auditors Annual Return 2020/21 shown in Appendix B. This later report includes the Value for Money Commentary.
1.2	In March 2022 a preliminary Audit Results Report was presented to this Committee recommending delegated final sign-off and publication of the 2020/21 audited statement of accounts to the Chairman of the Audit & Governance Committee, Councillor Geoff Lynch, and the Chief Finance Officer and S151 Officer, providing no material errors were identified.
1.3	Since this date the Council has identified an issue with rent and service charges being incorrectly charged to HRA tenants and has had to reflect this in its 2020/21 Statement of Accounts. The Council commissioned an external, independent review of the governance of the housing service, to ensure that the right governance arrangements are in place, which will prevent any such breaches of the social housing regulatory standards from occurring in the future. This report was completed in early 2023 and a final report issued in June 2023. This report was discussed at Audit and Governance Committee on 10th July 2023.
1.4	At the September 2023 Audit & Governance Committee it was agreed the final Audit Results report and the Value for Money Commentary would be presented to the next available Audit and Governance Committee for review by members.
2 Current position	
2.1	EY have now completed their audit work and have issued their final Audit Results Report 2020/21 in relation to the 2020/21 Statement of Accounts and their

	Auditors Annual Report which includes the Value for Money commentary. These reports are available in Appendix A and B, along with the audited statement of accounts in Appendix C. No material adjustments have been made to the statement of accounts since they were last presented to committee in September 2023.
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3 How to address current situation

3.1	EY will now issue their audit certificate in relation to the 2020/21 accounts to conclude the audit. The audited accounts will be presented on the Councils website which include the auditor's report.
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4 Reason/s for recommendation

4.1	The Audit & Governance Committee is recommended to note the external auditors' findings within the Audit Results Report 2020/21 and Auditors Annual Report and approve final sign-off and publication of the 2020/21 audited statement of accounts allowing EY to issue the audit certificate to conclude the audit.
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Appendices

Appendices:

Appendix A	Final Audit Results Report 2020/21
Appendix B	Auditors Annual Report 2020/21
Appendix C	Audited Statement of Accounts 2020/21

Background Papers:

None
