



## AUDIT & GOVERNANCE COMMITTEE

Monday, 14 March 2022

<b>Subject</b>	PROVISIONAL AUDIT RESULTS REPORT 2020/21 AND UPDATED STATEMENT OF ACCOUNTS 2020/21
<b>Report by</b>	Councillor Edward Back, Assistant Cabinet Member for Resources
<b>Supporting Officer</b>	Brian Mew Chief Finance Officer and Section 151 Officer <a href="mailto:Brian.mew@eastsoffolk.gov.uk">Brian.mew@eastsoffolk.gov.uk</a>

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is <b>NOT</b> in the public interest to disclose the exempt information.	Not applicable.
<b>Wards Affected:</b>	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 relates to the 2020/21 Statement of Accounts.

### **Options:**

None to consider.

### **Recommendation/s:**

That the Committee:

1. That the external auditors' findings within the Provisional Audit Results Report 2020/21 is noted.
2. That the updated Statement of Accounts for 2020/21 is noted.
3. Subject to no material errors being found, approval for final sign-off and publication of the 2020/21 audited statement of accounts is delegated to the Chairman of the Audit & Governance Committee, Councillor Geoff Lynch, and the Chief Finance Officer and S151 Officer, Brian Mew.
4. That a copy of the final Audit Letter for 2020/21 is received at the Committees next meeting.

## Corporate Impact Assessment

### **Governance:**

The Audit Results Report is a statutory requirement by the Local Audit and Accountability Act 2014.

### **ESC policies and strategies that directly apply to the proposal:**

The Audit Results Report does 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
<b>ICT:</b> No impact
<b>Legal:</b> No impact
<b>Risk:</b> 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.

<b>External Consultees:</b>	Ernst & Young LLP (EY)
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## Strategic Plan Priorities

Select the priorities of the <a href="#">Strategic Plan</a> which are supported by this proposal: <i>(Select only one primary and as many secondary as appropriate)</i>		Primary priority	Secondary priorities
<b>T01</b>	<b>Growing our Economy</b>		
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"/>
<b>T02</b>	<b>Enabling our Communities</b>		
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"/>
<b>T03</b>	<b>Maintaining Financial Sustainability</b>		
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"/>
<b>T04</b>	<b>Delivering Digital Transformation</b>		
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"/>
<b>T05</b>	<b>Caring for our Environment</b>		
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"/>
<b>XXX</b>	<b>Governance</b>		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p><b>How does this proposal support the priorities selected?</b></p> <p>The Audit Results Report does 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.</p>			

## Background and Justification for Recommendation

<b>1 Background facts</b>	
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 the Audit Results Report (ARR), for East Suffolk's Statement of Accounts 2020/21. The most up to date Statement of Accounts are also included in Appendix B.
<b>2 Current position</b>	
2.1	The audit of East Suffolk Council's Statement of Accounts for 2020/21 is ongoing, mainly pending Engagement Partner review. Items outstanding can be seen in Appendix D of the attached EY Provisional Audit Results Report 2020/21.
2.2	<p>The work of EY to date has not identified any corrected or uncorrected audit differences. There are a small number of minor disclosure differences in notes to the financial statements (casting, referencing, classification etc) which management have agreed to amend in the final set of accounts. Amendments found to date have been altered within the updated Statement of Accounts 2020/21 (Appendix B). None of these are material adjustments, but include:</p> <ul style="list-style-type: none"> <li>- Updates on the Narrative Report: Section 7 Looking forward, and Covid grant table</li> <li>- Classification of Grant between HRA and S.106 (Note 21 Grant Income) and including missed Covid Grant of £1.9m</li> <li>- 2 new contingent liabilities included in Note 31 due to events in the year since producing the draft accounts</li> </ul>

### 3 How to address current situation

3.1	EY are aiming to finalise their work by the end of March 2022. It is proposed that, subject to no material errors being found, this committee approves delegation for 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, Brian Mew. Once the Final Annual Audit Letter is received in respect of these accounts, it will be presented to the next available Audit & Governance Committee.
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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 Provisional Audit Results Report 2020/21.
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## Appendices

### Appendices:

<b>Appendix A</b>	Provisional Audit Results Report 2020/21
<b>Appendix B</b>	Updated Statement of Accounts 2020/21

### Background Papers

None.