



## AUDIT AND GOVERNANCE COMMITTEE

Monday, 15 March 2021

### EAST SUFFOLK COUNCIL – PROVISIONAL AUDIT RESULTS REPORT 2019/20

#### EXECUTIVE SUMMARY

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.
2. At this time, the audit of East Suffolk Council's Statement of Accounts for 2019/20 is substantially completed. As stated in the attached EY Provisional Audit Results Report 2019/20, no issues have been identified to date that would lead to a qualified opinion. There are also no audit matters arising with regards to arrangements to secure economy, efficiency and effectiveness of the Council's use of resources.
3. To date, the work of EY has not identified any unadjusted audit differences which the Council has chosen not to adjust for. Since the publication of the Draft Statement of Accounts, the Council has identified three adjustments to be made and the audit work of EY has identified one further adjustment which has been agreed with the Council. Please refer to Section 4 of the Provisional Audit Results Report for further details.
4. EY are aiming to finalise their work at the end of March 2021. On completion of the audit, the Audited Statement of Accounts for 2019/20 will be presented to the Committee at the earliest opportunity for comment and approval. This will include an update on any further audit differences not reported at this stage.
5. The Audit & Governance Committee is recommended to note the external auditors' findings within the Provisional Audit Results Report 2019/20.

|                               |   |
|-------------------------------|---|
| Is the report Open or Exempt? | Open  |
| <b>Wards Affected:</b>        | All Wards in East Suffolk   |
| <b>Cabinet Member:</b>        | Councillor Maurice Cook<br>Cabinet Member with responsibility for Resources   |
| <b>Supporting Officer:</b>    | Brian Mew, Chief Finance Officer and S151 Officer<br>(01394) 444571<br><a href="mailto:Brian.Mew@eastsoffolk.gov.uk">Brian.Mew@eastsoffolk.gov.uk</a> |

## **1 INTRODUCTION**

- 1.1 The audit of the Council's Draft Statement of Accounts for 2019/20 is substantially completed. The external auditors' (EY) Provision Audit Results Report 2019/20, is attached in **Appendix A**. The Audit Results Report includes findings and messages arising from the audit of the financial statements and the results of the work they have undertaken to assess arrangements to secure value for money in the use of resources.

## **2 AUDIT FINDINGS**

- 2.1 Subject to EY completing their outstanding areas for review, EY expects to issue an unqualified audit opinion.
- 2.2 To date, the work of EY has not identified any unadjusted audit differences which the Council has chosen not to adjust for. Since the publication of the Draft Statement of Accounts, the Council has identified three adjustments to be made. The audit work of EY has identified one adjustment which has been agreed with the Council. Please refer to Section 4 of the Provisional Audit Results Report for further details.
- 2.3 EY states within Section 7 of their report that they have not identified any significant weaknesses in the design or operation of East Suffolk Council's internal controls that might result in a material error within the financial statements.
- 2.4 Regarding Value for Money, EY have judged that there are no issues to report in relation to the Council's arrangements for Value for Money. This is covered in Section 5 of EY's report.

## **3 CONSULTATION**

- 3.1 There have been ongoing updates during the financial year with the Audit team and key stakeholders.

## **4 HOW DOES THIS RELATE TO THE EAST SUFFOLK STRATEGIC PLAN?**

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

## **5 FINANCIAL AND GOVERNANCE IMPLICATIONS**

- 5.1 Included in Sections 2 and 4.

## **6 OTHER KEY ISSUES**

- 6.1 None.

## **7 OTHER OPTIONS CONSIDERED**

- 7.1 None.

## **8 REASON FOR RECOMMENDATION**

- 8.1 The consideration of the external auditors' report is a statutory requirement under the Local Audit and Accountability Act 2014.

**RECOMMENDATION**

That the Committee notes the external auditors' findings to date within the Provisional Audit Results Report for 2019/20.

**APPENDICES****Appendix A**

EY - East Suffolk Council's Provisional Audit Results Report 2019/20

**BACKGROUND PAPERS**

None