

EXTERNAL AUDIT UPDATE OF THE 2021/22 STATEMENT OF ACCOUNTS

Committee name	Audit Committee
Officer reporting	James Lake, Head of Pensions, Treasury & Statutory Accounts
Papers with report	TO FOLLOW - EY audit update for London Borough of Hillingdon & London Borough of Hillingdon Pension Fund
Ward	All

HEADLINES

The report to follow, summarises EY's current progress on the audit of the 2021/22 Statement of Accounts, including the Pension Fund Accounts.

RECOMMENDATIONS:

That the Audit Committee note the position regarding the 2021/22 Statement of Accounts and Audit Results report and delegate authority to the Corporate Director of Finance (in consultation with the Chairman and incorporating any views from other Members of the Audit Committee) to approve these on behalf of the Committee and to report back to the next Audit Committee meeting on these matters for ratification.

Information

Audit of the 2021/22 Statement of Accounts has progressed since the Audit Committee meeting in November 2022. EY will comment on their paper, provide a verbal update, and suggest next steps.

It is expected that the full audit will be finalised by the end of February or beginning of March 2023. As the next Audit Committee is 27 Apr 2023, and should the audit complete as expected, officers request that the final 2021/22 Statement of Accounts and Audit Results Report be distributed for consideration, questions, and approval by email, which will in turn, authorise the Chair and S151 Officer to sign relevant documentation as required. The outcome would then be reported at the next Committee meeting.

FINANCIAL IMPLICATIONS

Proposed scale fees detailed in the original audit plan for the London Borough of Hillingdon include the PSAA agreed scale fee of £121,096 plus an extra scale fee of £82,728 which is currently being discussed with the PSAA. Variation fees may also be incurred.

For the London Borough Pension Fund agreed scale fees are £16,170 with an additional scale fee of £28,290. Variation fees may also be incurred.

Classification: Public

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These additional scale fees are being considered by the PSAA as part of the national consideration of EY's fee proposals. The Corporate Director of Finance will also consider these fees in line with benchmarking information and in consultation with EY.

An allowance for increased fees has been made within the Council's statement of accounts.

LEGAL IMPLICATIONS

The Secretary of State for Communities and Local Government delegated statutory functions (from the Audit Commission Act 1998) to PSAA on a transitional basis under powers contained in the Local Audit and Accountability Act 2014. In Hillingdon, EY have been appointed by the PSAA to carry out this function. Other legal implications are included in the body of the report.

The Accounts and Audit (Amendment) Regulations 2022:

4B Paragraph (1) applies in relation to the publication of documents relating to the financial year beginning in 2021 as if for "31st July" there were substituted "30th November"

6A Paragraph (2)(b) applies in relation to the audit of accounts relating to the financial year beginning in 2021 as if for "but not later than 31st July" there were substituted "but not later than 30th November".

BACKGROUND PAPERS

None.