

EXTERNAL AUDIT ANNUAL AUDIT LETTER

Committee name	Audit Committee
Officer reporting	James Lake, Finance
Papers with report	EY Annual Audit Letter
Ward	All

HEADLINES

This is a covering report to EY's Annual Audit Letter which provides a summary of the results and conclusions from their audit work undertaken for the year ended 31 March 2020.

RECOMMENDATIONS: That the Committee:

- 1) note the Annual Audit Letter; and
- 2) note the Certifications audit update.

SUPPORTING INFORMATION

The audit letter identifies the areas of EY's work over the year, their findings in each area and the focus of their work going forward. Key points included in the audit letter are:

1. The Council's Financial Statements (including the Pension Fund): an unqualified opinion on the Council's accounts for the year ended 31 March 2020 was issued.
2. Value for Money conclusion: it was concluded that the Council has put in place proper arrangements to secure value for money in the use of resources.
3. Other information published within the Statement of Accounts was consistent with the Annual Accounts.
4. The Governance Statement was consistent with EY's understanding of the Council.
5. There were no matters to report in terms of: Public Interest; recommendations to the Secretary of State, or actions in relation to the Local Audit and Accountability Act 2014.
6. Whole of Government Accounts: at the time of writing this report the WGA assurance statement was yet to be issued to the National Audit Office. This is solely a result of a national HM Treasury IT issue which is preventing the final schedule to be produced and signed off. All interim work was carried out in accordance with published timelines.

Certifications Update

In addition to the annual audit of the accounts, EY also undertake three further audits covering the Teachers' Pension Contributions, Housing Benefit Assurance Process (HBAP) and Pooling of Housing Capital Receipts. The audit deadline for the latter two items has been extended to 31 Jan 2021 and 31 Mar 2021 respectively. Currently, the certification of the Teachers Pension has been completed and work will begin in Q1 for the Pooling of Housing Capital Receipts. At the time of writing, the Housing Benefit Assurance Process was underway and due to be

completed by the deadline. EY will provide a verbal update on the 4 Feb 2021.

FINANCIAL IMPLICATIONS

Council - Total audit fees of £152,313 includes PSAA scale fee of £121,096 and variation fees of £31,217 relating to work covering significant areas of risk and COVID-19. The proposed increase in scale fee of £82,728 will include an element of variation fees if approved.

Pension Fund - Total audit fees of £33,240 includes PSAA scale fee of £16,170 and variation fees of £17,070 relating to work covering significant areas of risk and COVID-19. The proposed increase in scale fee of £28,290 will include an element of variation fees if approved.

LEGAL IMPLICATIONS

Legal implications are included in the body of the report.