

UPDATE: External Audit 2020/21 Statement of Accounts & Public Sector Audit Appointments (PSAA)

Committee name	Audit Committee
Officer reporting	James Lake, Head of Finance - Statutory Accounts & Pension Fund
Papers with report	PSAA Formal Initiation
Ward	All

HEADLINES

This paper provides an update on the progress of the external audit of the 2020/21 Statement of Accounts including the Pension Fund Accounts.

In addition, an update is provided on the next steps regarding the Public Sector Audit Appointments (PSAA) process following the issue of their formal invitation.

RECOMMENDATIONS:

That the Committee:

- 1. Note the progress of 2020/21 external annual audit.**
- 2. Note receipt of the PSAA formal invitation to participate in the tendering exercise and support the request for Full Council approval to opt into the national scheme for auditor appointments.**

SUPPORTING INFORMATION

Audit Update

At the Audit Committee meeting held in September 2021, EY advised they aimed to complete the annual external audit of the 2020/21 Statement of Accounts by the end of October 2021, albeit this was not guaranteed. Although work has continued, EY internal review processes have highlighted a number of instances where more audit work is required. EY are forecasting this will involve further resource allocation and is likely to extend the audit to the end of November 2021.

Officers will be meeting with EY during November to monitor progress and to ensure any issues are resolved in a timely manner.

PSAA Update

The Council currently utilises the PSAA for the procurement of external audit services. The current agreement covers a period to the end of March 2023.

The Secretary of State has now confirmed the role of the PSAA as the appointing person for eligible principal bodies for the period commencing April 2023. The PSAA has specified the five consecutive financial years beginning 1 April 2023 as a compulsory appointing period for the purposes of the regulations governing the national scheme.

Following Hillingdon's PSAA draft prospectus response and indication to be included in the national scheme for auditor appointments, a formal invitation was received by the Council on the 22 September 2021. In order to meet the regulatory requirements and join the national scheme, the Council will need to complete and return the PSAA form of acceptance.

The relevant regulations also require that the decision to accept the invitation and to opt in must be made by the members of the authority meeting as a whole, (Full Council). Approval will be sought at the 13 January 2022 Full Council meeting.

Subject to approval, the PSAA will need to receive the Council's formal acceptance of this invitation by Friday 11 March 2022.

FINANCIAL IMPLICATIONS

Any costs payable to PSAA are charged directly to the relevant Audit firm.

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. Other legal implications are included in the body of the report.

BACKGROUND PAPERS

None.