



<b>Audit Committee</b>	<b>Wednesday, 29 September 2021</b>	<b>Matter for Information and Decision</b>
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**Report Title:**

**External Audit Update Report (Q1 2021/22)**

**Report Author(s):**

**Comie Campbell (Head of Finance/Acting Section 151 Officer)**

<b>Purpose of Report:</b>	To update Members on the progress of the external audit of the 2020/21 Statement of Accounts made up to 31 March 2021.
<b>Report Summary:</b>	<p>The Council's draft statement of accounts are required to be audited each year by set dates. There has been temporary legislative extension changes to these dates.</p> <p>Grant Thornton have provided an update on the date and timescale for auditing the Councils 2020/21 Draft Unaudited Statement OF Accounts. These draft accounts include the Annual Governance Statement for the year ended 31 March 2021.</p> <p>This report also includes recommendations Grant Thornton have made following the audit of the Council's 2019/20 Statement of Accounts.</p>
<b>Recommendation(s):</b>	<p><b>That the Committee:</b></p> <p><b>A. Notes that the 2019/20 Audited Statement of Accounts for the year ended 31 March 2020 have been approved and published on the Council's website.</b></p> <p><b>B. Notes that the Unaudited 2020/21 Statement of Accounts for the year ended March 2021 are subject to an external audit with a view to being reviewed and approved at an Audit Committee later this year.</b></p> <p><b>C. Approves the Annual Governance Statement for the year ended 31 March 2021.</b></p>
<b>Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):</b>	Comie Campbell (Head of Finance/Acting Section 151 Officer) (0116) 257 2713 <a href="mailto:Comie.Campbell@oadby-wigston.gov.uk">Comie.Campbell@oadby-wigston.gov.uk</a>
<b>Corporate Objectives:</b>	Providing Excellent Services (CO3)
<b>Vision and Values:</b>	"A Stronger Borough Together" (Vision) Accountability (V1)
<b>Report Implications:-</b>	
Legal:	There are no implications arising from this report.
Financial:	There are no implications arising from this report.
Corporate Risk Management:	Decreasing Financial Resources / Increasing Financial Pressures (CR1) Reputation Damage (CR4) Regulatory Governance (CR6)

Equalities and Equalities Assessment (EA):	There are no implications arising from this report. EA not applicable
Human Rights:	There are no implications arising from this report.
Health and Safety:	There are no implications arising from this report.
<b>Statutory Officers' Comments:-</b>	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	As the author, the report is satisfactory.
Monitoring Officer:	The report is satisfactory.
<b>Consultees:</b>	None.
<b>Background Papers:</b>	<ul style="list-style-type: none"> <li>• The Accounts and Audit (England) Regulations 2011</li> <li>• Delivering Good Governance in Local Government: Framework</li> </ul>
<b>Appendices:</b>	<ol style="list-style-type: none"> <li>1. Unaudited 2020/21 Statement of Accounts</li> <li>2. OWBC Annual Audit Letter 2019/20</li> <li>3. Audit Committee Progress Report</li> </ol>

## 1. Introduction and Background

- 1.1 The publication of the Statement of Accounts is governed by the requirements of the Accounts and Audit (England) Regulations 2011. These require the Statement of Accounts to be certified by the Council's Section 151 Officer as presenting a true and fair view of the financial position of the Council by 31 May each year. The accounts must then be submitted for external audit to publish audited accounts by no later than the 31 July each year.
- 1.2 However, due to the Covid 19 pandemic the deadlines have been altered, with the 2020/21 accounts being presented by 31 July 2021, with the audited accounts to be published by 30 September 2021. The 2020/21 unaudited accounts shown at **Appendix 1**, certified by the Section 151 Officer, were published on the Council's website on 26 August 2021.
- 1.3 Publication of the 2020/21 unaudited accounts on the Council website was delayed. This was due to waiting to finalise the figures and making relevant adjustments to the accounts once the previous year's 2019/20 Accounts were formally signed off on the 9 August 2021 by Grant Thornton.

## 2. Unaudited 2020/21 Statement of Accounts

- 2.1 There was an additional requirement to show the Covid 19 Business grants paid out split between Agent (government was specific in which businesses would receive a certain type of grant on set criteria) and Principal (There was some discretion on what businesses grants were paid to be certain guidelines local authorities had to work within).
- 2.2 It is worth noting the Council has supported Businesses within the Borough throughout 2020/21 with approx. £12.5million of Covid 19 related Business grants. This is shown in the notes to the accounts on page 112.

### **3. Annual Governance Statement**

- 3.1 The Annual Governance Statement to 31 March 2021 is included within the published unaudited 2020/21 Statement of Accounts (pages 140 to 155). It is a requirement of the Council to undertake an annual review of its governance arrangements, which includes the effectiveness of its systems of internal control.

### **4. 2019/20 Statement of Accounts**

- 4.1 Following the completion of the audit of the 2019/20 statement of accounts by Grant Thornton an unqualified opinion was given and a certified audit certificate issued on 9 August 2021. The audited 2019/20 accounts have now published on the Council's website during August 2021.
- 4.2 Grant Thornton's "OWBC Annual Audit Letter 2019/20 " shown at **Appendix 2** highlights the fees chargeable of £62,000 for this completed audit in Section A on page 13. This report identifies four recommendations made by the external auditors the Council needs to rectify, shown in Section B on page 14 and listed below:
- Other Land & Building Revaluations
  - Finance Function Capacity
  - Collection Fund
  - Property, Plant & Equipment – Useful Economic Lives

### **5. 2020/21 Statement of Accounts**

- 5.1 Grant Thornton have produced an Audit Committee Progress Report shown at **Appendix 3**. This outlines the current status of the 2020/21 audit and the estimated timescale for completing it by 30 November 2021 with a view to giving an audit opinion by early December 2021. The report also includes the proposed audit fees of £55,444.