



Audit Committee	Monday, 04 July 2022	Matter for Information and Decision
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Report Title: **Audit Findings Report and Management Representation Letter 2020/21**

Report Author(s): **Comie Campbell (Head of Finance/Deputy S151 Officer)**

Purpose of Report:	To update Members on the progress of the external audit of the 2020/21 Statement of Accounts made up to 31 March 2021.
Report Summary:	<p>The Council's draft statement of accounts are required to be audited each year by set dates. The Council's draft accounts were approved by the Section 151 Officer in August 2021, and have been subject to detailed audit by our external auditors, Grant Thornton. This report is an update on the progress of the audit of the accounts since the March 2022 Audit Committee.</p> <p>Grant Thornton Audit Findings report also includes recommendations for the Council to implement. have made following the audit of the Council's 2020/21 Statement of Accounts.</p>
Recommendation(s):	<p>That the Committee:</p> <p>A. Review and approve the Statement of Accounts and Annual Governance Statement for the year ended 31 March 2021 (Appendix 1);</p> <p>B. Confirm, in order to comply with the Council's statutory obligations, that the Statement of Accounts and Annual Governance Statement for the year ended 31 March 2021 can be published and the Section 151 Officer be authorised, following consultation with the Chair of the Audit Committee, to make any required final changes to the accounts that may be agreed with Grant Thornton LLP, the Council's External Auditors;</p> <p>C. Note the Audit Findings report 2020/21 issued by the External Auditors and approve any recommendations outlined (Appendix 2 – To follow)</p> <p>D. Approve the Management Representation Letter (Appendix 3 – To follow)</p>
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	<p>Tracy Bingham (Strategic Director / Section 151 Officer) (0116) 257 2690 Tracy.Bingham@oadby-wigston.gov.uk</p> <p>Comie Campbell (Head of Finance / Deputy Section 151 Officer) (0116) 257 2713 Comie.Campbell@oadby-wigston.gov.uk</p>
Corporate Objectives:	Providing Excellent Services (CO3)

Vision and Values:	"A Stronger Borough Together" (Vision) Accountability (V1)
Report Implications:-	
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.
Statutory Officers' Comments:-	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	As the author, the report is satisfactory.
Monitoring Officer:	The report is satisfactory.
Consultees:	None.
Background Papers:	<ul style="list-style-type: none"> • The Accounts and Audit (England) Regulations 2015 • Delivering Good Governance in Local Government: Framework
Appendices:	<ol style="list-style-type: none"> 1. Updated Statement of Accounts 2020/21 (including Governance Statement 2020/21) 2. Audit Findings Report 2020/21 – To Follow 3. OWBC Letter of Representation – To Follow

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 2015. 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 31 August 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 1 August 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 Following certification by the Acting Section 151 Officer in August 2021, the accounts have been subject to detailed and rigorous review by the Council's external auditors, Grant

Thornton. The audit report is being finalised at the time of writing this report, but we expect the auditors are planning to issue an unqualified opinion.

1.4 There have adjustments made to the accounts and a reformatted report submitted to Grant Thornton along with an updated Governance Statement 2020/21. Given the audit is nearing completion but not formally complete yet, the Committee is recommended to continue to delegate responsibility for finalising the accounts to the Section 151 Officer in liaison with the Committee Chair.

1.5 The 2020/21 Statement of Accounts have previously been presented to the Audit Committee where the recommendation to approve the accounts was agreed by this committee. It is requested that the Committee to continue its recommendation to approve the Accounts. This will allow Grant Thornton to provide their formal opinion on the Accounts and formally conclude the audit. The accounts with then be published on the Council's website.

2. Approval of the 2020/21 Statement of Accounts and Governance Statement

2.1 There have been adjustments made to the accounts and a reformatted report submitted to Grant Thornton along with an updated Governance Statement 2020/21 shown in **Appendix 1**. Given the audit is nearing completion but not formally complete yet, the Committee is recommended to continue to delegate responsibility for finalising the accounts to the Section 151 Officer in liaison with the Committee Chair.

2.2 The 2020/21 Statement of Accounts have previously been presented to the Audit Committee where the recommendation to approve the accounts was agreed by this committee. It is requested that the Committee to continue its recommendation to approve the Accounts. This will allow Grant Thornton to provide their formal opinion on the Accounts and formally conclude the audit. The accounts with then be published on the Council's website.

2.3 The Annual Governance statement to 31 March 2021 that was included within the published unaudited 2020/21 Statement of Accounts, was approved at the September 2021 Audit Committee. The Annual Governance Statement has now been updated to reflect changes that have taken place since it was approved. Members are asked to approve this updated version shown in **Appendix 1**.

3. Audit Findings Report

3.1 At the time of writing this report, the 2020/21 Audit Findings report for year ended 31 March 2021 is not available. This report in the form of Appendix 2 will be issued as soon as it is received and will be presented at this meeting by Grant Thornton. This report outlines the key findings and other matters arising from the statutory audit of OWBC and the preparation of the Council's financial statements for the year ended 31 March 2021 for those charged with governance.

3.2 Grant Thornton will go through a number of items relating to the audit in more detail. This would include a summary of the key head headlines, audit approach, significant audit risks, significant findings, audit adjustments and any other relevant matters. Audit action plan recommendations would also be included.

4. Letter of Representation

4.1 It is a requirement of external audit the Section 151 Officer signs a letter of representation confirming they have the responsibility for the proper administration of the financial affairs of the authority and the duties this entails have been undertaken. At the time of writing this

report, the draft letter is not yet available. This letter, in the form of Appendix 3, will be issued as soon as it is received and will be presented at this meeting by Grant Thornton.