

Ernst and Young – 2019 to 2020 Annual Results Report to those Charged with Governance

Report number:	PAS/WS/20/014	
Report to and date(s):	Performance and Audit Scrutiny Committee	19 November 2020
Cabinet member:	Councillor Sarah Broughton Cabinet Member for Resources and Performance Telephone: 07929 305787 Email: sarah.broughton@westsuffolk.gov.uk	
Lead officer:	Rachael Mann Assistant Director (Resources and Performance) Telephone: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	

Decisions Plan: N/A

Wards impacted: All wards

Recommendation: It is recommended that:

- 1. The Committee notes that the auditor anticipates issuing an unqualified audit opinion on the financial statements of West Suffolk Council for 2019 to 2020 (as set out in the Audit Results Report - Appendix A).**

- 2. The Committee notes that the auditor has no matters to report on the council's arrangements to secure economy, efficiency and effectiveness in our use of resources (Appendix A).**
- 3. The Committee approves the Letter of Representation at Appendix B, on behalf of the Council, before the EY Associate Partner issues his opinion and conclusion.**
- 4. The Chief Financial Officer, in consultation with the Chairman, be given delegated authority to conclude the signing of the 2019 to 2020 accounts.**
- 5. The Committee notes the Final Audit Fees letter at Appendix C, in relation to the audit of the accounts of St Edmundsbury Borough Council and Forest Heath District Council for 2018 to 2019.**

1. Context to this report

- 1.1 Ernst and Young (EY), the council's appointed external auditor, are formally required to report the results of their audit of the 2019 to 2020 financial statements of West Suffolk Council, to those charged with governance. This committee is charged with governance in accordance with powers delegated to it under the council's constitution.
- 1.2 EY are also required to report on the results of the work undertaken to assess the council's arrangements to secure value for money (VFM) in the use of resources.
- 1.3 The results of both the audit of the financial statements and the VFM conclusion are contained in the Audit Results Report (Appendix A).
- 1.4 The EY Associate Partner will attend the meeting to present the report and give a substantive update.

2. Proposals within this report

- 2.1 As a result of COVID-19, new regulations - the Accounts and Audit (Coronavirus)(Amendment) Regulations 2020 - came into force on 30 April 2020. These announced a change to the publication date for final, audited accounts from 31 July 2020 to 30 November 2020 for all relevant authorities.
- 2.2 The council's unaudited 2019 to 2020 Statement of Accounts, signed by the Chief Financial Officer (Section 151 Officer) on 9 July 2020, has been updated to reflect any adjustments recommended by EY over this period as a result of their audit work. It should be noted by Members that these adjustments do not affect the Council's overall financial position and are, in most cases, simply presentational changes.
- 2.3 At the time of writing it is not anticipated that there will be any significant issues with the accounts and the auditor expects to issue an unqualified opinion on the Financial Statements for 2019 to 2020. Should there be any 'unadjusted audit errors' between now and the opinion date, the auditor will prepare an Addendum and agree this through the Chair of the Performance and Audit Committee.
- 2.4 Where the auditors place reliance on management representations in respect of certain judgemental matters, completeness of information and other issues, they require these representations in the form of a signed and dated letter. The committee is required to approve the Letter of Representation attached at Appendix B.
- 2.5 EY have also now issued their final fee letter in relation to the audit of the 2018 to 2019 financial statements. It is a requirement that the letter is presented to this committee in order to complete the formal reporting process and this is attached at Appendix C.

3. Alternative options that have been considered

- 3.1 The audit of the financial statements is governed by the Local Audit and Accountability Act 2014 and is conducted in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Therefore, there are no alternative options.

4. Consultation and engagement undertaken

- 4.1 This report and the appendices have been compiled by the Finance team in consultation with external audit.

5. Risks associated with the proposals

- 5.1 The reporting and approval of the annual accounts is a statutory function. The accounts are examined and certified by independent auditors, therefore there are no risks associated with the proposals.

6. Implications arising from the proposals

- 6.1 All implications arising from the proposals are covered within the report and its associated appendices.

7. Appendices referenced in this report

- 7.1 **Appendix A** – West Suffolk Council Annual Results Report 2019 to 2020.
- 7.2 **Appendix B** – West Suffolk Council Letter of Representation.
- 7.3 **Appendix C** – Final Audit Fee letter for 2018 to 2019.

8. Background documents associated with this report

- 8.1 None.