

# Ernst and Young – 2020 to 2021 Annual Results Report to those Charged with Governance

<b>Report number:</b>	<b>PAS/WS/21/018</b>	
<b>Report to and date(s):</b>	<b>Performance and Audit Scrutiny Committee</b>	18 November 2021
<b>Cabinet member:</b>	Councillor Sarah Broughton Cabinet Member for Resources and Property <b>Tel:</b> 07929 305787 <b>Email:</b> <a href="mailto:sarah.broughton@westsuffolk.gov.uk">sarah.broughton@westsuffolk.gov.uk</a>	
<b>Lead officer:</b>	Rachael Mann Director (Resources and Property) <b>Tel:</b> 01638 719245 <b>Email:</b> <a href="mailto:rachael.mann@westsuffolk.gov.uk">rachael.mann@westsuffolk.gov.uk</a>	

**Decisions Plan:** This item is not included in the Decisions Plan.

**Wards impacted:** All wards

**Recommendation:** It is recommended that:

- 1. The Committee notes that the work in respect of the audit opinion on the financial statements of West Suffolk Council for 2020 to 2021 is ongoing. A current draft, issuing an unqualified audit opinion, is set out in the Audit Results Report - Appendix A**

**(Recommendations continue on next page)**

- 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 Chair of the Performance and Audit Scrutiny Committee, be given delegated authority to conclude the signing of the 2020 to 2021 accounts.**

## 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 2020 to 2021 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 (Amendment) Regulations 2021 - came into force on 31 March 2021. These announced a change to the publication date for final, audited accounts from 31 July to 30 September 2021 for all relevant authorities.
- 2.2 Due to the planned phased approach to delivering the 2020 to 2021 audits across Suffolk, the external audit of the draft accounts of West Suffolk did not begin until mid-September and it was not possible, therefore, to complete the audit and publish the accounts by the end of September in line with the regulations. This situation is allowed for by Regulation 10, paragraph (2a) of the Accounts and Audit Regulations 2015.
- 2.3 The council's unaudited 2020 to 2021 Statement of Accounts, signed by the Chief Financial Officer (Section 151 Officer) on 21 July 2021, 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.
- 2.4 At the time of writing, it is not anticipated that there will be any significant issues with the accounts but there are still a number of audit procedures to be concluded. Should there be any unadjusted' or material 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.

- 2.5 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**.

### **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 2020 to 2021

- 7.2 **Appendix B** – West Suffolk Council Letter of Representation

### **8. Background documents associated with this report**

- 8.1 None.