

# EY – Auditor’s Annual Report 2020 to 2021

<b>Report number:</b>	<b>PAS/WS/22/001</b>	
<b>Report to and date(s):</b>	<b>Performance and Audit Scrutiny Committee</b>	27 January 2022
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**Decisions Plan:** This item is not included in the decisions plan.

**Wards impacted:** All wards

**Recommendation:** It is recommended that the Performance and Audit Scrutiny Committee:

1. Notes the report and Appendix A.

## 1. Context to this report

- 1.1 The purpose of this report is to update members on the outcome of the annual external audit of the 2020 to 2021 financial statements by Ernst and Young (EY), as detailed in their Auditor's Annual Report for the year ended 31 March 2021, attached at **Appendix A**.
- 1.2 The Auditor's Annual Report is for information and brings together all of the auditor's work over the year, including commentary on West Suffolk's value for money (VFM) arrangements as well as their opinion on the 2020 to 2021 financial statements.

## 2. Proposals within this report

- 2.1 At the meeting of this committee held on 18 November 2021, EY presented their Annual Results Report setting out their progress on the audit of the council's financial statements for the year ended 31 March 2021. At that time the audit was still on-going, and the report outlined the findings to date, as well as the anticipated intention to issue an unqualified audit opinion.
- 2.2 The audit of the financial statements was subsequently completed on 15 December 2021, and EY issued their opinion that the accounts gave a true and fair view of the financial position of the council. They have not yet issued a completion certificate as they still need to perform the procedures required by the National Audit Office on the Whole of Government Accounts (WGA) submission. This is due to a delay by the government in releasing the WGA submission pack and guidance for 2020 to 2021.
- 2.3 Following the completion of the audit, EY are required to issue an Auditor's Annual Report to the council and external stakeholders, including members of the public, communicating the key issues arising from their work. This report is attached at **Appendix A**.
- 2.4 The Auditor's Annual Report also contains the proposed final fee for the audit which incorporates the original planned scale fee of £55,050 along with proposed further charges for both the scale fee and additional work required over the course of the audit. The final fee will be subject to ongoing discussions with, and agreement by, the Director (Resources and Property).

## 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 has 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 Auditor’s Annual Report for the year ended 31 March 2021

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

- 8.1 [PAS/WS/21/018](#) (18 November 2021) – 2020 to 2021 Annual Results Report to those charged with governance
- 8.2 [PAS/WS/21/019](#) (18 November 2021) – Annual Governance Statement 2020 to 2021
- 8.3 [PAS/WS/21/020](#) (18 November 2021) – 2020 to 2021 Statement of Accounts